

LIBERAL PROMISES AND PERFORMANCES.

THE FINANCES.

The Conservatives were in power 18 years, 1878 to 1896, and in the last fifteen years of that period, 1881 to 1896, they had six deficits.

The Liberals came into power in 1896 and during the past fifteen years (1896-1911) they have had but one deficit, and that was the first year after getting into office and before the tariff was readjusted. When the Tariff was arranged on a revenue basis deficits vanished and up went the surpluses and in the last fiscal year the surplus was over 30 millions

THE TARIFF.

In the Liberal platform adopted in 1893 it was declared that the tariff "should be so arranged as to promote free trade with the whole world, more particularly with Great Britain and the United States."

The general readjustments in the tariff which have taken place (1897 and 1907), since 1896, the denunciation of the Belgium and German Treaties, which stood in the way of trade negotiations with Great Britain, the British preference, the French Treaty, and the reciprocity agreement with the United States, now before the people of Canada for acceptance or rejection as it has been passed by both Houses of Congress and signed by the President of the United States, all tend to the fulfilment of the pledge given in 1893 by the Liberals.

The Liberal Government had a difficult condition of affairs to face in 1896. The industrial interests that came into existence as a result of a high taxation policy had to be considered. Capital had been invested. The interests of the working classes had to be considered. A sudden change might bring disaster to many. Indeed, there was no more potent factor in keeping the Liberal party out of power for years than the fear of a radical change in tariff conditions which was sedulously developed by their opponents. But the records show that without disturbing the commercial and business conditions that had arisen, the Liberal Government made a wise reduction in the taxation so that customs duties are on the average more than thirteen per cent. less than they were in 1896, the year the Liberals assumed the reins of

THE TARIFF POLICY OF THE GOVERNMENT.

THE TWO TRADE POLICIES COMPARED.

SPLENDID RESULTS FROM THE LIBERAL POLICY.

The purpose of this chapter is to review the business policy of the Liberal Government, to compare it with the results of past Conservative Policy, and to discuss the present attitude of the two great political parties on the trade question.

THE HISTORY OF FISCAL LEGISLATION.

In 1879, what was known as the National Policy, introduced by the Government of Sir John MacDonald, became law. As most people know, what that policy had for its chief object was to increase duty on importation and thus assist native manufacturing industries. Taxation on importations was declared to be necessary to enable infant manufacturing concerns to secure a sure footing. The promoters of the policy heralded it with a great flourish of trumpets. It was to make Canada a great manufacturing nation; it would develop a large home market, which would greatly benefit the farmer; the land was to be dotted with the tall chimneys of busy factories; immigration would be attracted, and the Great North West would be rapidly peopled. Business men were advised to "clap on all sail," and take no heed for tomorrow, for that was assured.

WHAT WERE THE RESULTS?

For a few years all went well. Business prospered and considerable activity was manifested in manufacturing circles. Men with money, tempted by the bait of large profits to accrue from the policy of stiff protection, invested freely in manufacturing concerns. A return of general good times all over the world helped the policy along, and all the indications seemed to point towards the fulfilment of the promises held out to the people. But unfortunately for Canada the policy did not wear well. After the first four or five years there came a lull, and to a certain extent, a re-action was witnessed. The promise of a greatly enlarged home market was not realized, but the bait of large profits from manufacturing had been too tempting, and as a result too many factories in certain lines had been established. Over production followed, internal competition became very keen, and institutions unable to stand the strain went to the wall. **It Was a Case of Being Protected to Death.** From then down to 1896, the country made some progress, —good progress the champions of the National Policy called it—but compared with the recent past, it was very slow, and certainly not in anything like the proportions the great natural resources of the country warranted.

The manufacturers themselves, who were supposed to be the parties who would benefit most by the policy, while fairly well employed, did not seem to make the progress that had been anticipated. They were

confined to the home market which had not enlarged appreciably, or to the extent for which preparations had in some cases been made.

As time went on the dimmer grew the hope that there would be a complete realization of the promises made for the National Policy. In the middle nineties the Conservatives themselves became alarmed, and made an attempt to lop off what they termed "mouldering branches" on the ultra protectionist tree.

They had, to a great extent, lost faith in their policy. The facts were against them. Driven about in the storm of public opinion with their anchor dragging, they finally hacked at their main mast "High Protection" in the effort to save themselves, rather than go down to defeat sticking to their principles. The evidence of this, as many manufacturers know, is to be found in the Tariff of 1894, as compared with the previous one.

The conditions prevailing in the country then could scarcely have been much worse. Business was in a stagnant state. The spirit of enterprise was notably lacking. Our population was dwindling, there being a steady exodus to the United States. Deficits were recorded with frequency in the annual national accounts.

THE FAILURE OF THE NATIONAL POLICY.

The National Policy Had Certainly Not Made Us Rich. We made progress during its lifetime, as we have said—the great natural wealth of the country being bound to make itself felt, even under the most disadvantageous circumstances—but the progress was not what it should have been in this young and inherently wealthy country—and compared with the recent past it was snail-like indeed.

THE LIBERAL POLICY OF A REVENUE TARIFF.

The Liberals came into power in June, 1896, with a declared policy, to substitute for the Conservative Tariff a sound fiscal policy, which, while not doing injustice to any class, would promote domestic and foreign trade and hasten the return of prosperity to our people. They had also declared that the Tariff should be reduced to the needs of honest, economical, and efficient Government, that it should be so adjusted as to make free or bear as lightly as possible upon the necessities of life, and should be so arranged as to promote freer trade with the whole world, particularly with Great Britain and the United States.

After an exhaustive enquiry by a committee of the Government, a new Tariff was introduced which in 1897

- (1) Materially reduced duties on many necessities and staple commodities used by consumers generally.
- (2) Placed on the Free List certain articles of prime necessity to the farmer, the miner, the fisherman, and the manufacturer.
- (3) Reduced duties on iron and steel, which form the staple raw material of many industries; duties on other raw materials were also lowered.
- (4) Simplified the classification of articles for duty purposes, and thereby ensured more uniform administration.
- (5) And last, but not by any means least, gave a substantial preference to the products and manufactures of Great Britain over the rest of the world.

As most fair minded people recognize, the Government in 1897 made an earnest and honest effort to solve the Tariff problem, and give the people a law which aimed at equality of treatment, which endeavored to reconcile conflicting interests, as far as possible without doing injustice to any class, and

which further had for its object the promotion of the general welfare. No class or interest was singled out for undue favor. The Government recognized to the full that the varied producing interests of Canada necessitated and **Demanded a Fiscal Policy Framed, as Far as Practicable, In a Spirit of Moderation**, and so adapted as to distribute the burdens of taxation, as well as the benefits arising therefrom, as equally as possible.

Look at our position for a moment: we have five great sources of national wealth, namely, the farm, the forest, the fisheries, the mines, and our manufacturing industries. We keep national house on the income derived from them. Now it will be apparent that the interests and needs of these various producing branches are not identical. They conflict in some instances very strongly. The farmer, for instance, has to pay higher prices for his articles of necessity and comfort by reason of Customs duties being imposed thereon--whereas, on the other hand, the prices of his principal products are largely determined in the markets of the world. So far as the selling value of his principal products are concerned, a Customs Tariff cannot assist him. The miner, too, could buy most of his supplies and machinery cheaper if they were free from duty. Then, again, look at the case of the fisherman. They are chiefly located in the Provinces forming the extreme boundaries of the Dominion, and by reason of distance from our centres of population, are unable to supply the markets there, and consequently are obliged to export the bulk of their catch to foreign markets easier to reach, but where they have to encounter stiff competition. The lumberman, too, is affected by the Tariff on his commodities.

Now we want to conserve and develop all our income producing interests, manufacturing, farming, mining, fishing, and lumbering. We require them all--none can be spared. We submit, therefore, again, that the true fiscal policy for Canada is one of reasonable moderation, and where assistance of protection by means of a Tariff be necessary to any interest, the measure of such State aid should be carefully considered, if in its nature there is a tendency to diminish the productiveness of any of our other sources of national income, by decreasing the purchasing power of the producers. The aim should be to promote the utmost development in all industrial pursuits, particularly such as the country is most naturally adapted for, and provide for the people generally the maximum amount of profitable labor.

MANUFACTURING AND THE TARIFF.

Manufacturing interests always bulk largely in Tariff discussions, and deservedly so, but though they are of immense benefit to the country, they are not more so than the agricultural industries. Indeed, if we take the population engaged, and the capital invested in farming and ranching, these industries bulk greater in the national wealth. No one wants to hurt the manufacturers, on the contrary, there is a general desire, irrespective of politics, to see them prosper. Everybody recognizes that manufacturing institutions (of a varied character, too) are necessary to build up a great nation, and acknowledges that it would be undesirable to continue our attention to purely pastoral pursuits.

Liberals claim that it is equally important to make the farm enticing and to encourage manufacturing; and in making the farm enticing you help manufacturing in the best possible way. One of the greatest handicaps the Canadian manufacturer labors under is the smallness of the home market. How better can you enlarge that market than by populating the hitherto unsettled farming and ranching districts; and how better can you do that than

by making farming and ranching life as enticing in a financial sense as possible?

We confidently submit that compared with the National Policy, the Liberal Tariff is an immense improvement, that it is based on better and truer principles, and that experience has proved it to be the best Tariff that Canada has ever had.

A DISTINCTION BETWEEN THE TWO POLICIES.

At this stage we wish to point out one very important distinction between the policies of the two great parties. It is this: when the Conservatives were in power they considered the Tariff to be almost everything. They introduced the National Policy, blundered through the construction of the C. P. Ry., and then fell asleep, waking at intervals only to quarrel among themselves in true Tory fashion.

The Liberals, on the other hand, have backed up and supported their scientific Tariff policy with a sound, vigorous and progressive business policy. They realized that the farmer could not be benefited much, if any, by protective duties on his products, but they also saw that they could benefit him by cheapening the cost of transportation, and they devoted their best energies towards improving and enlarging transportation facilities all over the country. A most vigorous policy in this respect was pursued with first-class results. They saw, too, that the manufacturer could be greatly benefited by enlarging his home market, and they instituted a vigorous immigration policy which has been marvellously successful.

Cold storage facilities of an excellent character were provided for the products of the farm and orchard, also for bait for the fishermen of the Maritime Provinces. Postage rates were substantially reduced, and many reforms in the Post Office Department were instituted. Combinations in restraint of trade were checked. The country's credit was bettered. Postal rates were reduced. Agriculture was aided. The great North West was developed. The country was made favorably known throughout the world. The Canal system was rushed to completion. Crow's Nest Pass Railway was built. The Intercolonial Railway was extended to Montreal and modernly equipped. Ocean ports, harbors and rivers were vastly improved. **Construction of a National Transcontinental Railway was entered upon.** Colonization and other railways were assisted all over the country by subsidies and guarantee of bonds. Canal tolls and steamboat dues were abolished. Railways, Telegraphs and Telephones were placed under the complete regulation and control of a Railway Commission. Labor strikes were averted. Commercial agencies were appointed in a great many countries. The resources of the country were splendidly exhibited at every exposition held throughout the world.

To carry out their plans the Government needed large revenues—the Tariff was designed to produce them, and it has achieved its object. The increased moneys have been freely but wisely expended, and the Government were enabled thereby to assist the producing interests of the country by providing necessary public works, railways, etc., and in many other useful ways. It is undoubtedly true that the prosperity of recent years has to a considerable extent been brought about by the action of the Government in these respects. When the Conservatives were in office they defrayed the cost of public works by adding to the public debt.

Under the promised Conservative Trade Policy of complete exclusion, large revenues would not be obtainable, and consequently, if great public

works were to be carried on, we would have to go into debt again to pay for them.

THE STRIKING FEATURES OF THE GOVERNMENT'S TRADE POLICY.

Perhaps the most striking features of the Government's Trade Policy have been its progressiveness, originality and adaptability. Sir Wilfrid Laurier and his colleagues are imbued with the progressive spirit of the age, and they have adapted their policy from time to time to meet the changes in circumstances and conditions. They have boldly faced new conditions, and dealt with them not theoretically, but in a careful, practical, business-like way. They have, moreover, cut out new paths in fiscal legislation for themselves.

PREFERENTIAL TARIFF.

First, they promulgated the policy of giving a preference to the manufactured products of the Mother Country and her colonies over all other countries in the world. This was admittedly a splendid stroke of business, which has redounded to the great advantage of Canada.

Not only did it benefit Great Britain—a great customer for our agricultural and other natural products—but it directly and indirectly helped the Canadian consumer. The Conservatives talked and theorized for years on the subject of Preferential Trade, but never got within a hundred miles of the firing line. The Liberals acted promptly, wisely and well. In this great question Canada has led the way to the Empire.

THE SURTAX.—BUT REPEALED IN 1910.

The next important and radical step taken by the Government was the imposition of a Surtax, in addition to the ordinary Customs Duty, upon the products of Germany. That country had attempted to intimidate us by classing our products under their maximum or penalty Tariff, because, forsooth, we had given a preference in trade to our Motherland. Such a position was, of course, absurd for a country like Germany to take, but notwithstanding the protests of our Government, they maintained it. Every possible effort was made by the Government to get the Germans to take a more reasonable view, but without avail, so retaliation was resorted to, a stiff Surtax of one-third the ordinary Customs duty being imposed. Here again the Government scored a triumph, not only for Canada, but for the whole British Empire. It was an excellent Canadian Roland for the German Oliver. The trade of Germany with us had fallen off 50 per cent. while the Surtax was imposed. The German attitude was an attempt to thwart the movement for Preferential Trade relation within the British Empire, which, if submitted to, would perhaps have been the death blow to the movement. In 1910 Germany took a different view of the question and did not discriminate against Canada with the result that on March 1st, 1910, the Surtax was repealed.

THE ANTI-DUMPING LAW.

At a recent session of Parliament a still more important and striking departure in fiscal legislation was made. We refer to the adoption of what is popularly known as the "anti-dumping law." Here again the Government had to face changed conditions, requiring bold and drastic treatment. Under this law Canadian manufacturers are effectually protected against the slaughtering of manufactured goods in Canada in unfair competition with them.

TRUSTS AND COMBINATIONS

The attitude of the Government as regards trusts and combinations in be remembered, they took the power to punish trusts and combinations that restraint of trade is also worthy of attention. In their tariff of 1897, as will "unduly enhance the price of any article or that by any other method unduly promotes the advantage of manufacturers or dealers at the expense of the consumers." The method of punishment or retaliation adopted was the reduction of the duty on the article in question. In 1902, it was established by Royal Commission that a combine existed in the paper making trade of the country, under the operations of which prices were unduly enhanced, and the Government accordingly reduced the duty on Printing Paper from 25 to 15 per cent.

A law was also passed restraining the monopolistic practices in Canada of the American Tobacco Company.

In 1910 a law was placed on the statute book providing for thorough investigation of companies in judicial procedure.

TARIFF REVISION 1907.

The Tariff was changed from time to time after the first revision in 1897, and a complete revision took place again in 1907. In these changes the Government kept steadily in view the one object, to deal fairly by the whole people, and not favor unduly any particular section.

PREFERENCE EXTENDED TO BRITISH COLONIES.

The Preferential Tariff was extended to most of the British Colonies, and in return Canada secured a Preference in the markets of New Zealand, South Africa, and Barbadoes.

As a result of the Preference in New Zealand, the Canneries of British Columbia captured almost the entire trade of that country, and shut the canneries of the United States out.

FAVORED NATION TREATMENT WITH JAPAN.

By treaty with Japan Canadian products were guaranteed favored national treatment and placed upon the minimum tariff of Japan. This was repealed, but in consequence of an act passed by the Canadian Parliament on the 19th of May, 1911, and proclaimed to be in force on July 17th, 1911, for two years, it has been agreed on the part of the Imperial Japanese Government that the Government accord the most favored national treatment to Canadian goods as contemplated by the said act. This favored national treatment therefore continues for two years.

CANADA LED THE WAY TO THE EMPIRE.

The example of Canada in establishing the Preferential Tariff has been followed by nearly all the British Colonies.

CANADA NOW PRACTICALLY MAKES HER OWN TREATIES.

In 1907 the Hon. W. S. Fielding, Minister of Finance, and the Hon. L. P. Brodeur, Minister of Marine and Fisheries, acting for Canada by virtue of

plenipotentiary powers given to them by the British Government, concluded a trade treaty with France, which was approved by the Parliaments of Canada and of France and amended in 1909.

This Treaty is of advantage to Canadian trade. The list of articles covered by the Treaty is very much larger than the list of articles specified in the old French Treaty, and it is in every way a much better Treaty for Canada.

It is worthy of special note that this is the first Treaty ever made by negotiation of Canadian Statesmen without the assistance of Statesmen representing Great Britain, our Mother Country.

In connection with this Treaty the British Government took the wise view that Canada ought to know her own business best, and should be left free to negotiate her own Treaties, subject, however, to the concurrence of the British Government. This is undoubtedly a long step forward in the Nation-building of Canada.

INTERMEDIATE TARIFF.

The adoption at the last revision of the Tariff of an Intermediate Tariff places a lever in the hands of the Government to bargain for favors in other countries. Favor for favor is the principle underlying this legislation.

REDUCTION OF TAXATION.

In 1896, under the Conservative Tariff, \$18.28 was the average amount of Customs duty paid upon every hundred dollars worth of goods imported into this country.

Under the Liberals the average rates have been as follows:—

1897.....	\$17.87
1898.....	16.95
1899.....	16.70
1900.....	15.98
1901.....	16.06
1902.....	15.99
1903.....	15.87
1904.....	16.28
1905.....	16.04
1906.....	16.07
1907.....	15.66
1908.....	16.27
1909.....	16.11
1910.....	16.24
1911.....	15.87

If since the Liberals have been in power the Conservative average rate of taxation in 1896 had been levied upon all the imports, about 75 million dollars more duties would have been collected. That is the fair measure of the reduction of taxation brought about by the Liberals.

**The Following is a Comparison of the Rates of Duty Under the Conservative
Tariff of 1896, and Under the Present Tariff, on Certain Well-
Known Articles.**

ARTICLE.	CONSERVATIVE TARIFF.	LIBERAL TARIFF.		
		British Preferential Tariff.	Intermediate Tariff.	General Tariff.
Indian Corn.....	7½c. per bus.....	Free	Free	Free
Rape Seed, sowing.....	10 p.c.....	Free	Free	Free
Seed Beans from Great Britain.....	15c. per bus.....	Free	Free	Free
Binder Twine.....	12½ p.c.....	Free	Free	Free
Cordage.....	1¼c. per lb. and 10 p.c., equivalent to from 28 to 35 p.c.....	20 p.c.	22½ p.c.	25 p.c.
Books on the application of Science to Industries of all kinds.....	6c. per lb.....	Free	Free	Free
Books for the use of Mechanics' Institutes, Libraries of Uni- versities, Colleges or Schools.....	6c. per lb.....	Free	Free	Free
Cream Separators.....	27½p.c.....	Free	Free	Free
Barbed Fencing Wire of iron or steel.....	¾c. per lb.....	Free	Free	Free
Galvanized Wire, iron or steel, 9, 12 and 13 gaug.....	25 p.c.....	Free	Free	Free
Wire Fencing, woven wire fencing of iron or steel.....	27½ p.c.....	10 p.c.	12½ p.c.	15 p.c.
Wire of all kinds, n.o.p.....	25 p.c.....	15 p.c.	17½ p.c.	20 p.c.
Perment Cultures for Butter- making.....	Rates varying from 20 p.c. up- wards.....	Free	Free	Free
AGRICULTURAL IMPS.				
Farm, Road or Field Rollers.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Forks, pronged.....	35 p.c.....	15 p.c.	20 p.c.	22½ p.c.
Hay Tedders.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Hay Loaders.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Potato Diggers.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Hoes.....	35 p.c.....	15 p.c.	20 p.c.	22½ p.c.
Spades and Shovels.....	50c. per doz. and 25 p.c., equivalent to about 38 p.c.....	20 p.c.	30 p.c.	32½ p.c.
Fanning Mills.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Grain Crushers.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Windmills.....	30 p.c.....	12½ p.c.	17½ p.c.	20 p.c.
Threshers and Separators.....	30 p.c.....	15 p.c.	17½ p.c.	20 p.c.
Fodder and Feed Cutters.....	35 p.c.....	15 p.c.	22½ p.c.	25 p.c.
Mowing Machines, Harvesters and Reapers.....	20 p.c.....	12½ p.c.	17½ p.c.	17½ p.c.
Stoves of all kinds.....	27½ p.c.....	15 p.c.	22½ p.c.	25 p.c.
Table Cutlery of all kinds.....	32½ p.c.....	20 p.c.	27½ p.c.	30 p.c.
Pumps.....	30 p.c.....	15 p.c.	25 p.c.	27½ p.c.
Locks.....	32½ p.c.....	15 p.c.	25 p.c.	27½ p.c.
Nails, wire of all kinds.....	1c. per lb.....	4-10c. lb.	5-10c. lb.	6-10c. lb.
Butts and Hinges.....	32½ p.c.....	15 p.c.	25 p.c.	27½ p.c.
Sleighs.....	30 p.c.....	17½ p.c.	22½ p.c.	25 p.c.
Coal, Bituminous.....	60c. per ton.....	35c. per ton	45c. per ton	53c. per ton
Coal Oil.....	6c. per gal.....	1½c. per gal.	2½c. per gal.	2½c. per gal.

ARTICLE.	CONSERVATIVE TARIFF.	LIBERAL TARIFF.		
		British Preferential Tariff.	Intermediate Tariff.	General Tariff.
Lubricating Oil, composed wholly or in part of Petroleum.....	6c. per gal.	1½c. per gal.	2½c. per gal.	2½c. per gal.
Candles.....	30 p.c.	15 p.c.	22½ p.c....	25 p.c.
Common and Colourless Window Glass.....	20 p.c.	7½ p.c.	12½ p.c.	15 p.c.
Cotton Duck.....	25 p.c.	15 p.c.	17½ p.c.	20 p.c.
Grey Cotton Fabrics.....	22½ p.c.	15 p.c.	22½ p.c.	25 p.c.
Cotton Sheets.....	32½ p.c.	17½ p.c.	22½ p.c.	25 p.c.
Cotton Shirts, costing more than \$3 per doz.....	\$1 per doz. and 25 p.c., equivalent to 37 p.c. ad val.	If dyed, 25 p.c. If undyed, 17½ p.c.	If dyed, 30 p.c. If undyed, 22½ p.c.	If dyed, 32½ p.c. If undyed, 25 p.c.
Cotton Sewing Thread.....	25 p.c.	17½ p.c.	22½ p.c.	25 p.c.
Cotton Fabrics, undyed.....	25 p.c.	17½ p.c.	22½ p.c.	25 p.c.
Socks and Stockings.....	10c. per doz. prs. and 35 p.c.	25 p.c.	32½ p.c.	35 p.c.
Blankets.....	5c. per lb. and 25 p.c. Equivalent to 39 p.c.	If wholly of pure wool, 22½ p.c. If not of pure wool, 30 p.c.	30 p.c.	35 p.c.
Woollen Socks and Stockings.....	10c. per doz. prs. and 35 p.c.	25 p.c.	32½ p.c.	35 p.c.
Undershirts and Drawers.....	35 p.c.	22½ p.c.	30 p.c.	35 p.c.
Woollen Cloths.....	5c. per lb. and 25 p.c. Equivalent to ad val. duties ranging from 39 to 60 p.c.	30 p.c.	35 p.c.	35 p.c.
Flannels, plain.....	5c. per lb. & 25 p.c.	22½ p.c.	30 p.c.	35 p.c.
Wheat Flour.....	75c. per bbl.	40c. per bbl.	50c. per bbl.	60c. per bbl.
Rice, cleaned.....	1¼c. per lb.	50c. 100 lbs.	65c. 100 lbs.	75c. 100 lbs.
Oranges.....	Specific rates, equivalent to 15 p.c.	Free	Free	Free
Wall Paper.....	Average rate, abt. 39 p.c.	22½ p.c.	32½ p.c.	35 p.c.
Head Ropes for fishermen.....	1¼c. per lb. and 10 p.c.	Free	Free	Free
Refined Cotton Seed Oil, for canning fish.....	20 p.c.	Free	Free	Free

Very many more items could be added to this list, but as it stands it conveys a fair idea of the character of the changes that have been made by the Liberal Government.

In the foregoing list no reference is made to articles used by manufacturers. A great many reductions were made in the duties on raw materials or semi-finished products used by manufacturers.

In considering the Liberal Tariff, and comparing it with the Conservative Tariff, the fact should be borne well in mind that the British Preferential Tariff rates, which are, on the average, about one-third less than the General Tariff rates, are the determining rates in the matter of price. Such British

Preferential Tariff rates are very much less than the old Conservative Tariff rates.

To illustrate operation of the British Preference and the effect it has in reducing prices to the Canadian consumer, we submit the following:—

Assume, for the sake of argument, two Commercial Travellers, one from Great Britain and the other from the United States, interviewing a merchant in Montreal or Winnipeg, with the object of selling him goods. The articles they have for sale are identically the same, but the rates of duty are considerably different, the rate from Great Britain being one-third less than the rate from the United States. The Montreal or Winnipeg merchant naturally will figure the laid down cost of his goods, and, if he gives the order to the United States traveller, he will certainly make him reduce his price to correspond to the reduction in duty under the British Preferential Tariff.

THE CONSERVATIVE ATTITUDE ON THE TARIFF.

What has been the Conservative attitude in regard to the Liberal fiscal policy? The question is not an easy one to answer. So many different positions have been taken by them, that it is difficult to say just "where they are at." The truth is that they have been very much disappointed. Their ideas have been shattered by actual experience. They expected that the Liberal Tariff would operate disastrously and when experience showed that it was the best Tariff Canada ever had, they were at their wits' end to know what criticism to offer.

In 1897, when the Liberal Tariff was introduced, it was met with a "wail of woe" from Sir Charles Tupper and his colleagues. Here are the words of Sir Charles as reported in Hansard:—

"The result is that this Tariff goes into operation and the hon. gentleman knows that the industries of this country are already paralyzed in consequence, while honorable members gloat over the destruction of Canadian industries. I was reading the wail, the sorrowful wail, of these industries in the Montreal Gazette, where one manufacturer after another declared that those industries were ruined, that their mills must close, and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman who last addressed the House was in charge of the fiscal policy of this country. I say that a deeper wrong was never inflicted upon Canada.

"I feel that so far from rejoicing at it from a party standpoint, I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada, and upon its great industries. Still, I unhesitatingly say that, from a party point of view, the hon. gentlemen are doing our work; they are showing the people of this country that no reliance can be placed upon the most solemn declarations that they make either in the House or out of it; they are showing the people of this country that, having obtained power, which was all they wished for, they are now prepared to abuse that power at a cost of sacrifice of the industries of Canada."

The next position taken by the Conservatives was that the Government had retained the National Policy practically in its entirety, and that that was the reason why the country had been so prosperous. That is excellent Tory doctrine. It is the pet notion of Conservatives that they were sent on earth with a special mission to govern, and that none other have the capacity to do so. With such ideas, it was no doubt easy for them to persuade themselves even in the face of adverse facts, that the National Policy had been retained.

Not only was the wish father to the thought, but they believed the Grits could not possibly frame a policy which could produce prosperity, consequently when prosperity followed the Tariff, it was quite apparent to them that the National Policy had been retained. To them that was as plain as that two and two make four.

Absurd though such a position is, if the Conservatives had stayed by it, we could know where to place them, but almost in the same breath, they abused the Government for reducing duties, and thereby, as they alleged, ruined certain industries.

They voted, spoke against, and denounced the Preferential Tariff, claiming that it was injurious to Canadian manufacturing interests, yet they profess to be advocates of Preferential Trade within the Empire.

One of their leaders fought a campaign in Manitoba during the general elections of 1900, chiefly on the cry of free agricultural implements, which he declared he was in favor of, and that notwithstanding the declared Tory policy of protection.

What do you think of such inconsistent and irreconcilable attitudes? Do they inspire confidence?

WHERE DO THE CONSERVATIVES STAND?

Where do the Conservatives stand! At the session of Parliament of 1903, they introduced the following motion as an amendment to the Budget.

"Moved that this House, regarding the operation of the recent Tariff as unsatisfactory, is of opinion that this country requires a declared policy of such adequate protection to its labor, agricultural products, manufactures and industries, as will at all times secure the Canadian market for Canadians."

A somewhat similar resolution was introduced in the House during the session of 1902.

The phrase "adequate protection" is a very specious one, and might mean anything. The Leader of the Opposition when pressed for a definition of it evaded the question, but his chief lieutenants have been more frank, and from their speeches we learn that the Conservative policy is one of high protection to the point of complete exclusion of imports that would conflict with Canadian manufacturers or other products.

Mr Rufus H. Pope, Conservative M.P. for Compton, is reported on page 2419, Hansard, 1902, as follows:

(1) The resolution that I would have preferred would be a resolution for a Chinese wall all round.

Mr Blain, the member of Parliament for Peel, during the same session, made use of these words, vide p. 1499, Hansard.

"I hold that the Tariff should be so arranged that every institution in this country which is manufacturing goods to be consumed by the Canadian people should have sufficient protection to keep out the same class of goods made in any foreign country; and I have no hesitation in saying that, if that country should be England, the policy of Canada should be framed in the interests of the Canadian taxpayer as against the people who are producing the same class of goods even in the old country under the same flag."

Mr Henderson, the old time Conservative member for Halton, is reported on page 2384, Hansard, 1902, thus:

"It was said in the early days of the present Tariff, that the Liberals had stolen our clothes. I have never said so, but, of course, when

"the preferential duty was only 12½ per cent., and when on colored cotton goods, and many other goods the duties were practically the same as under the Conservative regime, here was some reason, for perhaps, coming to the conclusion, without due consideration, that the Liberals had stolen our clothes. But I do not consider that they have done anything of the kind. I am only sorry that they did not, for it would have been better for the country if they had. Their Tariff is instead, just the "antipodes of ours."

Mr. George Taylor, the Conservative whip, during the Budget debate of 1902 said, page 1986, Hansard:

"Now I am willing to go to an amount sufficient to protect the industries of the country even if it is 100 per cent."

Speaking of agricultural implements he said, Hansard, page 1988:

"Thus we sent to the United States last year nearly \$2,000,000 to purchase these implements. In a very few years there will be nothing left of them but a heap of iron, and the Americans will have \$2,000,000, whereas, if we had a Government that would have given adequate protection, every one of these articles would have been made in this country. Employment would have been given to our working men, Canadian farmers would be supplying a home market, and we would have those \$2,000,000 in Canada as a national capital to help on our progress and development."

During the same debate Mr. Henderson, of Halton, spoke thus (page 2087, Hansard):

"But we say we will put a Chinese wall right around this country, and we will not allow those Americans to come in and monopolize the markets of this country."

The Hon. Mr. Paterson, Liberal, Minister of Customs, in his speech on the Budget quoted the foregoing statements of Mr. Blain, and the following dialogue ensued:

(Minister of Customs)—"But the hon. gentleman said more than that, he said 'This is in accordance with the principles enunciated in the amendment that Mr. Borden has moved.'"

(Mr. Blain)—"Hear, hear. I stand by that."

Referring again to Mr. Rufus Pope, M.P., we find on page 2425, Hansard, 1902, he is reported as saying:

"That policy which we shall propound will be one which will carry out, only in a more extended degree, the objects aimed at by the policy which our political fathers adopted in 1878."

Total Trade of Canada.

Under Conservative Rule.

(See Report of Customs and Trade and Navigation Returns, Blue Book).

Fiscal Years.	Imports.	Exports.	Total Trade.
1882.....	119,419,500	102,137,203	221,556,703
1883.....	132,254,022	98,085,804	230,339,826
1884.....	116,397,043	91,406,496	207,803,539
1885.....	108,941,486	89,238,361	198,179,847
1886.....	104,424,561	85,251,314	189,675,875
1887.....	112,892,236	89,515,811	202,408,047
1888.....	110,894,630	90,203,000	201,097,630
1889.....	115,224,931	89,189,167	204,414,098
1890.....	121,858,241	96,749,149	218,607,390
1891.....	119,967,638	98,417,296	218,384,934
1892.....	127,406,068	113,963,375	241,369,443
1893.....	129,074,26 ^c	118,564,352	247,638,620
1894.....	123,474,940	117,524,049	240,999,889
1895.....	110,781,682	113,638,803	224,420,485
1896.....	110,781,682	113,638,803	224,420,485
1896.....	118,011,508	121,013,852	239,025,360
Total, 15 years.....	1,771,022,754	1,514,898,932	3,285,921,686

Under Liberal Rule.

1897.....	119,218,609	137,950,253	257,168,862
1898.....	140,323,053	164,152,683	304,475,736
1899.....	162,764,308	158,896,905	321,661,213
1900.....	189,622,513	191,894,723	381,517,236
1901.....	190,415,525	196,487,632	386,903,157
1902.....	212,270,158	211,640,286	423,910,444
1903.....	241,241,961	225,849,724	467,064,685
1904.....	259,211,803	213,521,235	472,733,038
1905.....	266,834,417	203,316,872	470,151,289
1906.....	294,286,015	256,586,630	550,872,645
1907 (9 months)*.....	259,786,007	205,277,197	465,063,204
1908.....	370,786,525	280,006,606	650,793,131
1909.....	309,756,608	261,512,159	571,268,767
1910.....	391,852,692	301,358,529	693,211,221
1911.....	472,247,540	297,196,365	769,443,905
Total, 15 years.....	3,880,590,734	3,305,647,799	7,186,238,533

* In 1907, the end of the Canadian fiscal year was changed from June 30th to March 31st, hence the first fiscal year under the new arrangement covered only a period of nine months.

Trade of Canada with United Kingdom.

Under Conservative Rule.

(Merchandise only. This omits Coin and Bullion).

Fiscal Years.	Imports for Consumption	Exports Cana- dian Produce.	Total Trade.
1882	\$ 50,356,268	\$ 39,816,813	\$ 90,173,081
1883	51,679,762	39,538,067	91,217,829
1884	41,925,121	37,410,870	79,335,991
1885	40,031,448	36,479,051	76,510,499
1886	39,033,006	36,694,263	75,727,269
1887	44,741,350	38,714,331	83,455,681
1888	39,157,644	33,648,284	72,815,928
1889	42,251,189	33,504,281	75,755,470
1890	43,277,009	41,499,149	84,776,158
1891	42,018,943	43,243,784	85,262,727
1892	41,063,711	54,949,055	96,012,766
1893	42,529,340	58,403,606	100,938,946
1894	37,035,963	60,878,053	97,914,019
1895	31,059,332	57,903,564	88,962,896
1896	32,824,505	62,717,941	95,542,446
Total, 15 years.	618,994,591	675,407,115	1,294,401,706

Under Liberal Rule.

1897	29,401,188	69,533,852	98,935,040
1898	32,043,461	93,065,019	125,108,480
1899	36,931,323	85,113,681	122,045,004
1900	44,279,983	96,562,875	140,842,858
1901	42,819,995	92,857,525	135,677,520
1902	49,022,726	109,347,345	158,370,071
1903	58,793,038	125,199,980	183,993,018
1904	61,724,616	110,120,892	171,845,508
1905	60,342,704	97,114,867	157,457,571
1906	69,183,915	127,456,465	196,640,380
1907 (9 months)*	64,415,415	98,691,186	163,106,601
1908	94,417,314	126,194,124	220,611,438
1909	70,682,101	126,384,724	197,066,825
1910	95,336,427	139,482,945	234,819,372
1911	109,934,665	132,156,924	242,091,589
Total, 15 years.	919,328,271	1,629,282,404	2,548,611,275

* In 1907, the end of the Canadian fiscal year was changed from June 30th to March 31st, hence the first fiscal year under the new arrangement covered only a period of nine months.

Trade of Canada with United States.

Under Conservative Rule.

(Merchandise only. This omits Coin and Bullion).

Fiscal Years.	Imports for Consumption.	Exports Cana- dian Produce.	Total Trade.
	\$	\$	\$
1882.....	47,052,935	45,782,584	92,835,519
1883.....	55,147,243	39,513,225	94,660,468
1884.....	49,785,888	34,332,641	84,118,529
1885.....	45,576,510	35,566,810	81,143,320
1886.....	42,818,651	34,284,490	77,103,141
1887.....	44,795,908	35,269,922	80,065,830
1888.....	46,440,296	40,407,483	86,847,779
1888.....	50,029,419	39,519,940	89,549,359
1890.....	51,365,661	36,213,279	87,578,940
1891.....	52,033,477	37,743,430	89,776,907
1892.....	51,742,132	34,666,070	86,408,202
1893.....	52,339,796	37,296,110	89,635,906
1894.....	50,746,091	32,562,509	83,308,600
1895.....	50,179,004	35,603,863	85,782,867
1896.....	53,529,390	37,789,481	91,318,871
Total, 15 years.....	743,582,401	556,551,837	1,300,134,238

Under Liberal Rule.

1897.....	57,023,342	43,664,187	100,687,529
1898.....	74,824,923	38,989,525	113,814,448
1899.....	88,467,173	39,326,485	127,793,658
1900.....	102,080,177	57,996,488	160,076,665
1901.....	107,149,325	67,983,673	175,132,998
1902.....	114,744,696	66,567,784	181,312,480
1903.....	128,790,237	67,766,367	196,556,604
1904.....	143,010,578	66,856,885	209,867,463
1905.....	152,431,626	70,426,765	222,858,391
1906.....	168,798,376	83,546,306	252,344,682
1907 (9 months)*.....	148,598,061	62,180,439	210,778,500
1908.....	204,648,885	90,814,871	295,463,756
1909.....	170,056,178	85,334,806	255,390,984
1910.....	217,502,415	104,199,675	321,702,090
1911.....	274,844,858	104,130,548	378,975,406
Total, 15 years.....	2,152,970,850	1,049,784,804	3,202,755,654

* In 1907, the end of the Canadian fiscal year was changed from June 30th to March 31st, hence the first fiscal year under the new arrangement covered only a period of nine months.

During the period of Liberal rule, Canada's trade with the whole world as shown by the foregoing figures, more than doubled that during the same number of years of Conservative rule. Similar results have followed in the trade with Great Britain and the trade with the United States. In this large way has the tariff pledge of the Liberals been justified and fulfilled.

The Liberal Government of Canada since assuming office in 1896 has endeavored:—

- (1) To do everything possible to promote the prosperity and welfare of the whole people.
- (2) To administer the affairs of Canada economically and to tax the people fairly and equitably, but not unduly.
- (3) To develop the great resources of the country on sound principles and towards that end to promote immigration and to provide transportation facilities.
- (4) To secure peaceful and harmonious relations between the various elements of the Canadian population.

The Preferential Tariff in Brief.

In introducing the original Preferential Resolutions, Hon. W. S. Fielding spoke as follows:—

"But why should we wait for England to take action? England has dealt generously with us in the past. England has given us a larger degree of liberty perhaps than is possessed by any other country on the face of the earth. She has given us liberty to tax her wares even when she admits our goods free, and we have taxed them to an enormous degree. Why should we wait for England to do more? Someone must make a move in this matter, and we propose that Canada shall lead the way."

In addition to the foregoing it is therefore interesting to allude to the steps that have been taken by the Liberal party towards bringing the Preference about and thus creating between Great Britain and Canada better commercial relations.

The British Preferential Tariff as it first stood, provided for the admission of all articles except wines, malt liquors, spirits, spirituous liquors, liquid medicines and articles containing alcohol, tobacco, cigars and cigarettes, that may be imported from Great Britain and certain of her colonies and possessions, at a reduction of twenty-five per cent. from the ordinary rates of duty. After July 1st, 1900, the reduction was made one-third. In the case of manufactured articles it is provided that such items to be admitted under the Preferential Tariff shall be bona fide the manufactures of Great Britain, and that the benefits of such tariff shall not extend to the importation of articles into the production of which there has not entered a substantial portion of the labor of Great Britain. This provision was intended to prevent the entry under the Preferential Tariff of Belgian, German and other continental manufactures which, but for the provision, might be shipped to Britain, thence to Canada, and entered as British goods.

That in substance is the character of the British Preferential Tariff. To put it briefly—the result of it is that where goods from the United States or other foreign countries have to pay \$100 duty, the goods of Great Britain have only to pay \$66.66 duty.

At the revision of the Tariff in 1907 the flat rate of preference was abandoned and a special Preferential rate was fixed for each article. On the average the preference to the goods of Great Britain is about one-third reduction on the rates paid upon the goods of other countries.

The Effects of the Preference.

The practical effects of the Preferential Tariff are, briefly, as follows:

1. The Tariff has resulted in largely increased sales of British goods to Canada. For years prior to its adoption Great Britain's exports to Canada had steadily fallen off. The Preference at once arrested the decline and the trade has increased ever since.

2. It has also resulted in a wonderful increase in the exports of farm products of Canada to Great Britain. The British heart was touched by the action of the Canadian Government, and, although there is no law on the Statute Books, British merchants are buying Canadian products as they never did before. The Conservatives tried to bargain in a huckstering spirit for a preference in the British markets for Canadian produce; the Liberal Government did not bargain for it, but actually got it through their wise actions.

3. It involves a very large direct reduction in the duties paid by the Canadian consumer, as compared with the duties paid by him under the Conservative tariffs.

4. It also operates indirectly to the benefit of the Canadian consumer. The foreign competitors of Britain in our markets must reduce their prices to meet the preference in duty granted to Britain. The Canadian consumer, therefore, is benefitted by the reduction in prices.

The Record of the Conservatives as to the Preference.

Let us now advert to a consideration of the policy and record of the Opposition on the Preferential Trade question, so that by the contrast we may be the better able to form an intelligent opinion on the merits of the matter.

The Conservative party, when in office, maintained a much higher rate of Customs duty on the importations from Great Britain than they did on the importations from the United States—Britain's great competitor.

But the Conservative party went further than that. To support their Protectionist principles, and combat the arguments against them, they argued that Free Trade had been a bad thing for Great Britain. No less a person than Sir Hibbert Tupper, when he was Minister of Marine and Fisheries, was put up by his party and made use of the following language in the House of Commons, in respect to Great Britain:—

"Driven from the civilized markets of the world, steadily, and every year finding their output to those markets decreasing, they spend millions on their navy, and millions on the army to force their wares and their goods and their merchandise into the uncivilized markets of the world." (See Hansard, April 6th, 1894, page 902.)

Sir Hibbert has learned much since that time under Liberal rule and he does not so express himself now.

Everyone has heard of the Conservative pet phrase: "So much the worse for British connection," which was made use of in reply to arguments that the Conservative National Policy discriminated against Britain.

As noted on a previous page Sir Charles Tupper denounced the Liberal tariff policy of reduced taxation and preference.

The Conservative Huckstering Resolution in 1892.

The attitude of the Conservative party on the Preferential Trade question was embodied in the following resolution, moved in the House of Commons, in April, 1892, by Mr McNeill, one of their number:—

Resolved, "That if and when the Parliament of Great Britain and Ireland admits Canadian products to the market of the United Kingdom upon more favorable terms than it accords to the products of foreign countries, the Parliament of Canada will be prepared to accord corresponding advantages by a reduction in the duties it imposes upon British manufactured goods."

The Liberal Preference Foreshadowed.

To that motion an amendment was made by the Hon. L. H. Davies, which reads as follows:—

"Inasmuch as Great Britain admits the products of Canada into her ports free of duty, this House is of the opinion that the present scale of duties exacted on goods mainly imported from Great Britain should be reduced."

The Conservative motion was carried, and the Liberal amendment defeated by a straight party vote. Every Liberal voted for the amendment.

The Conservative Anti-British Policy.

The Conservatives professed to be willing to allow British goods to come into Canada at a slightly lower rate than was imposed on the goods coming from other countries, but only on condition that Great Britain would grant Canada a preference in her markets by imposing duties on wheat and other natural products of Canada which might be imported into Great Britain from other countries. They clung tenaciously to their fetish protection, and would not lower their tariff walls, even to Great Britain, without a quid pro quo. Great Britain had all along admitted free of tax or restriction, the produce and merchandise of Canada.

A Conservative Assertion Exploded.

One still hears echoes of the remarkable Conservative assertion that a preference was offered to Sir Wilfrid Laurier when in England at the Jubilee of 1897, and that he refused it.

On the hustings and in Parliament the Conservative leaders frequently declared that the Premier had basely betrayed Canada's interests, that he was met almost on his landing in England to attend the jubilee festivities, by the late Duke of Devonshire, who made a speech offering the great boon of preferential trade in unmistakable terms.

It would seem necessary therefore to again show up the dishonest attempt to gain a political advantage at the expense of truth. Fortunately the evidence is conclusive to any fair-minded man.

Sir William Mulock in the House of Commons on July 19th, 1899, read a copy of a letter that he had written to the Duke of Devonshire, in which he quoted Sir Charles Tupper's utterances as to the alleged offer made by the Duke, and asked the Duke whether he made such an offer, or any offer to Sir Wilfrid. He also read the reply of the Duke, which in effect was that he had no authority to offer and did not offer to Canada a preference in British markets.

The concluding part of the Duke of Devonshire's letter is as follows:—
"But while I congratulated Sir Wilfrid Laurier and the Dominion of Canada on the offer which had been made to admit British goods at reduced rates, as compared with those on the goods of other nations, as an important step in the direction of the Imperial Unity, I had no authority to offer, and did not to Canada, a preference in British markets. You are at liberty to make use you please of this letter."

(See Pages 7843 to 7845 Hansard, Session 1899.)

The Wisdom of the Liberal Government's Policy.

The wisdom of the Liberal Government's policy has been amply and fully manifested. The Government saw beyond, they looked into the future, and recognized that if ever the possibility of Canada getting a preference in the British markets were to become an actual reality, it would not be brought about by any huckstering policy on the part of Canada, but it would come as the result of a grand Imperial sentiment which would override all questions of an economic nature. The step taken by the Government did more to create and develop that sentiment than any action that had prior thereto been taken in the history of the Empire.

The Growth of Imperial Sentiment and Market.

Although the Liberal Government did not bargain for a preference in the British markets, as a matter of fact they got a preference. The hearts of the English people were touched by Canada's practical exhibition of loyalty and good-will, and although there was no law on the statute books compelling British consumers to prefer Canadian goods, it is an undoubted fact that since the adoption of the Preferential Tariff the demand for Canadian produce has greatly increased and still continues to increase. The trade figures substantiate these observations.

The Conservative Opposition to the Preference.

The Conservative party, while stigmatizing the Canadian preference as a myth, a sham, and a fraud on the British people, never by a formal vote objected to its adoption by Parliament, probably because they did not have the courage of their alleged convictions. They were, however, forced to declare themselves on the question at the session of Parliament, held in 1900. Dr. Russell, Liberal member of Parliament, moved an amendment on a motion to go into supply, which was in the following terms:—

"That this House regards the principle of British preference in the Canadian Customs Tariff as one which in its application has already resulted, and will, in an increasing measure, continue to result in material benefit to the Mother Country and to Canada, and which has already aided in welding, and must still more firmly weld together the ties which now bind them, and desires to express its emphatic approval of such British preference having been granted by the Parliament of Canada."

Conservative Lip Loyalty.

After a long debate a vote was taken which resulted in the Conservative party unanimously voting against the amendment.

They by that vote declared themselves against the preference to British goods, and that if perchance they should be brought back to power, they will repeal the Preferential Tariff and deprive the Empire of the splendid achievement which Canada and the Liberal party has given to the history of preferential trade. They declared themselves against the policy which was hailed with the utmost enthusiasm by the British public, press and Parliament, which was warmly welcomed and commended by Her Majesty's Government, who described it as a measure "which cannot fail to result in material benefit to the Mother Country and to Canada, and to weld together still more closely the ties which now unite them." They declared themselves against the policy which has been of untold benefit to Canada, which materially raised the status of the country among the nations of the world, and which was declared by leading public men and leading newspapers of Great Britain, to be the most important step theretofore taken, towards the unification of the Empire. They have disregarded the feeling of satisfaction with which the policy of the Liberal Government was received by all true Imperialists and loyalists in Canada. They have disregarded the popular opinion of Great Britain, which is unalterably opposed to putting a tax on their breadstuffs and raw material, and have gone back to their old policy of talk, talk, talk, but no action.

Not the Speech But the Spirit Which Glows is What Counts.

"London Times," (March 15th, 1900):—"The results of the British system of Imperial rule, as applied to territory inhabited by white races of different origin was never more striking illustrated than by the speech made by Sir Wilfrid Laurier on Tuesday in the Dominion House of Commons. The speech would rank high in any assembly in the world as a model of noble eloquence, but it is not the language or act of the Canadian Premier's address which will make it live in the annals of the Empire. The spirit which glows through it and the thoughts which underlie it are pregnant with great issues for England and mankind. Sir Wilfrid Laurier, the French Roman Catholic Premier of a self-governing federation, in which British Protestants are in the majority, has expressed more faithfully and more truly than any statesman who has spoken yet, the temper of the new Imperial patriotism fostered into self-consciousness by the (South African) war."

The Reciprocity Arrangement.

Is it to the advantage of Canada to add ninety million people to her list of customers for the products of the Canadian farmer and the Canadian fisherman and the Canadian lumberman.

This is the sole question involved in Reciprocity.

The issue is purely a business one. Sixty per cent. of Canada's people are engaged in agriculture. These people each year produce more agricultural products than can be consumed in Canada. With the special advantages of soil and climate that Canada possesses, and the rapid settlement that is going on in the Dominion, this surplus production will continue to expand at a tremendous rate. The Canadian farmer must have a market for this surplus. The Canadian farmer wants to get the highest possible price for this surplus.

Up to the present he has not been able to sell any considerable quantity of his products to the people of the United States on account of the prohibitively high duty maintained by the United States. Under the Reciprocity arrangement his products can enter the United States free of duty. Thus the Reciprocity arrangement provides a new market and a huge market. Thus the Reciprocity arrangement gives the Canadian farmer a chance to get the highest prices for his products.

The general features of the Reciprocity arrangement are set forth as follows by Hon. W. S. Fielding, Minister of Finance:

"We have arranged that there shall be a large free list. We have agreed upon a schedule containing a large number of articles which are to be reciprocally free. These are chiefly what are called natural products, though there are some things in them which would hardly be classed in that way. Some of these things are already free in Canada, but have been subject to duty in the United States. We have been able to arrange that the United States shall take off the duty, and therefore, instead of having what some of our hon. friends have sometimes called a lop-sided free trade, there will be real free trade in this matter, and the thing that is free in Canada shall also be free in the United States.

In another schedule we have provided a rather numerous list of items on which there shall be a common rate of duty in both countries. A very common criticism on the part of the gentlemen who have not viewed this matter as favourably as we would have wished has been: If the United States want to make a tariff arrangement with you, let them come down to your rates of duty. It seemed to be taken for granted that that was what the United States would not do. But that is exactly what we asked them to do, and what they have agreed to do, respecting a large number of articles. They have not only come down to our rates, but in some cases they have come below them, and in those cases, in order to reach that common rate, we have had to make reductions. But as our tariff is a moderate one, while theirs, in the main, is a high tariff, the result has been that, in order to arrive at a common rate, we have had to make only moderate reductions, while they, in many cases, have had to make quite large reductions. There are a few exceptions to this general rule. We found a few cases with which we desired to deal, but with respect to which we were not able to agree upon a common rate. In some instances it was not so much

the rate itself as the classification and the phraseology. Dealing with these cases as exceptions, we have provided one schedule of articles on which the United States impose the rates of duties therein mentioned on the products of Canada, and another schedule of articles on which Canada imposes the rates of duties therein mentioned on the products of the United States. The idea of Reciprocity is in the arrangement, but it does not require both countries to adopt the same rate or the same classification. These two schedules, however, will be found to contain not many items.

Before I deal with the schedules in detail, I want to give an illustration of how we have been able to reach a common ground. For example, take the article of wheat. At present wheat is dutiable in the United States at 25 cents a bushel and in Canada at 12 cents a bushel. We make wheat free in both countries. The reduction in Canada is 12 cents a bushel, whereas the United States reduction is 25 cents a bushel. I give that as an illustration of the fact that the tariff of the United States being much higher than ours, in order to meet a common rate they have had to make very much larger reductions than we have.

The duty on our wheat going into the United States will be nothing. As another illustration, take the article of barley. It was a large crop in Ontario some years ago, and when the American tariff increased the duty on barley it was regarded by Canadian farmers as a rather severe piece of legislation. Barley is now made free. Canada's reduction is 15 cents per bushel and the United States reduction is 30 cents per bushel.

Take another illustration, an item of importance to many districts in this country, the item of potatoes. Potatoes are now made free. Canada's reduction is 20 cents per bushel and the United States 25 cents.

Oats are made free. Canada's reduction is 10 cents per bushel, the United States 15 cents per bushel.

Flour is now to be dutiable at the common rate of 50 cents per barrel; Canada's reduction is 10 cents per barrel; the United States reduction is about equal to 70 cents per barrel.

Rough sawn lumber is made free. It was already free in Canada but in the United States, even under the Payne-Aldrich tariff, there was a duty of \$1.25 per 1,000 feet. That duty is removed, and rough sawn lumber may be exported free into the United States by the manufacturers of the Dominion.

In the discussion of tariff items in this House in by-gone years, there were two items which were commonly bracketed together, strange as it may appear. I refer to coal and flour. In the early days of the discussion of the duties on these articles, it was argued with much force that the coal duty was rather a burden on the people of Ontario, and that the flour duty imposed a burden on the people of the lower provinces, and that, on the principle of give and take, the people of the two sections should be willing to have these two duties imposed, each section profiting by that policy. I need not now go into the discussions which took place at that time. We are now proposing to bracket them together. We are making a small reduction in the duty on flour of 10 cents per barrel, and a small reduction in the duty on coal of 8 cents a ton. The present duty on coal is 53 cents, and we propose to make it 45 cents. The duty in the United States to-day is 45 cents, and our duty, under this arrangement, will be 45 cents. But that is not fully placing the matter fairly before the House. In the United States the duty is 45 cents on the long ton of 2,240 pounds, whereas, ours is on the short ton, so that while nominally there is a similarity, there is not actually quite an equalization of the rates. However that may be, our coal people, who were alarmed over this reciprocity matter, will have to bear a cut of 8 cents per

ton on their duty; and I hope, as one who has warm sympathy for the coal trade, that they will be able to stand it and continue to do business at the old stand.

There is no change in the duty on slack coal coming into Canada, but there is a very important change in the duty on slack coal going into the United States. Slack coal is dutiable at 15 cents per ton in the United States. Recently, in the last amendment to the tariff law, words were used in the definition of slack coal which led to considerable trouble. The words used, if I remember correctly, were that all slack coal shall be deemed coal produced in the ordinary way. And the United States authorities ruled that coal which was washed for the purpose of preparing it is not produced in the ordinary way, and therefore, one of our coal concerns, which has large contracts in the United States, and desires to build up a large trade in that country in slack coal, found itself subject to this condition, that what it regarded as slack coal was regarded by the United States as coal screened and held dutiable at the rate of 45 cents per ton. We protested against that and we arrange that the duty of 15 cents per ton on slack coal should apply to slacked coal of all kinds, including washed coal.

Another item is that of coke. Coke is free in Canada, but dutiable in the United States. We asked that it be made free in the United States as well as free in Canada, and our American friends have agreed. I think that the hon. gentlemen interested in the coal fields in British Columbia will be very glad to hear that news because coke is an important item, and I have every reason to believe that large quantities of coke will go from British Columbia into the United States under this arrangement.

With regard to some of the items made free, I have said before that they are largely natural products, but we have made some reductions in a moderate list on manufactured articles. I have already indicated that our reductions are not very large while those of the United States are considerable. Our manufacturers are rather alarmed at the competition of the Americans. No doubt, with the magnificent organization and great accumulation of capital, our American friends are in advance of us in most of the lines of manufactures, and I do not suppose that in manufacturing generally we can hope at present to send many things across the line. But I do hope that the reduced rates of duty will open up new facilities to our manufacturers and that we shall be able to send more manufactured goods across the border. Our manufacturers, whose products are shut out to-day by prohibitory duties, may be encouraged to send some of their goods into the United States under a moderate tariff.

Take wire rods which are largely made in Canada. They are free in Canada but dutiable in the United States, and there is a bounty on them here which will expire shortly. We have thought it desirable that our manufacturers in that line should have a chance in the American market, and therefore, we claimed that wire rods, which are now free in Canada, should be free in the United States, and I think we will have a fair chance of making wire rods for Uncle Sam and sending them over from our steel plants.

With regard to agricultural implements, the House need not be reminded of the strong desire on the part of our western farmers to have better terms on these articles. They would be glad to have them free of duty, but, anxious as I am to meet their views, I must frankly say to them that we do not think that is fair. Like all others they must be prepared to give and take, they must be prepared to bear their share of the burdens of the country, and I believe that when the matter is fairly put to the farmers, they will recognize that principle. We do not propose to make agricultural implements free, but to make some reductions, and we trust that, while these may not all be the farmers want, they will be evidence of the desire of the government to meet their views as far as possible without doing any injustice to the industries of Canada. We have

made a 15 per cent. list on agricultural implements, including mowers, reapers and harvesters. These were $17\frac{1}{2}$ per cent., and we now propose to reduce them to 15 per cent.

Our negotiations have not touched the question of valuation; that, must be left to the operation of the customs authorities of the two countries. Then there is a list of implements: Cultivators, ploughs, harrows, horse-rakes, seed-drills, threshing machines, including wind-stackers, baggers and weighers; these are reduced from 20 per cent. to 15 per cent. Then, hay-loaders, potato-diggers, fodder and feed-cutters, grain-crushers, fanning-mills, farm or field-rollers—on these the Canadian reduction is from 25 to 20 per cent. These are the reductions which are being made in our tariff. On the other side of the question, the United States tariff on some of these things is 15 per cent. We have provided that parts of machines shall be introduced at the same rate as the machine itself. In the United States, where they had a nominal rate of 15 per cent. upon agricultural implements of a certain class, it was provided that repair parts for these machines should be dutiable at the rate of 45 per cent. We have provided that the machines and the parts shall bear the same rate of duty. Then, portable engines, horse-power and traction engines for farm purposes, hay-loaders, potato-diggers, fodder or feed cutters, grain-crushers, fanning-mills, manure-spreaders, windmills, and parts thereof for repairs—these are now dutiable in the United States at from 30 to 45 per cent., and we have arranged that the American duty shall be reduced to 20 per cent.

Before I proceed to take up the schedules in detail, there are one or two interesting features which I am sure the House would wish me to explain at the earliest moment. We have had very interesting discussions from time to time over the question of the duty on paper and pulp of various kinds. Our American friends were anxious for some tariff change in relation to these articles. We ourselves were anxious for some tariff changes. As respects certain grades of pulp and paper, mechanically ground pulp, chemical pulp, common printing paper, known as newsprint, or common paper, up to a limited value of four cents per pound, we believed that we could compete with our American friends on these particular articles and that it was desirable we should have free trade in them. As to the paper of a more advanced quality, I doubt if we would be able to compete with them and we did not take that class of paper into our negotiations. But as respects pulp of its various kinds and common newsprint paper and common pasteboard and common paper of all kinds running to the value of four cents per pound, we would have been quite willing to have reciprocity with them. They said: We are quite willing to do that if you provide that the regulations which exist in some of your provinces with regard to the shipment of pulpwood shall be removed. Of course, there could be but one answer to that. We have nothing to do with the provincial regulations. These regulations have been made by the provincial governments in accordance with what they believed to be the best interests of their respective provinces, and whether they are good or bad regulations was not for us to debate with our friends of the United States. And so we had to say to them: If you propose to put any such limitations upon the arrangement we cannot object to your doing for yourselves what you think best respecting the terms and conditions upon which you will admit our paper into your country; you have the right to impose these conditions, and if they do not suit Canada no harm is done; but we on our side will not agree to make paper and pulp and these articles free in Canada until you have made them free into your country from every province and part of the Dominion of Canada. So, the matter stands in this way: that they will put in their tariff, as set forth in their correspondence with us, an item that these various grades of pulp and paper shall be made free if there be no regulations, either in the form of the provincial regulations interfering with the shipments of pulpwood.

Whenever that condition arises they will make paper free. We said: All right, but that is no concession to us, and we will not make your paper free in Canada until you remove the restriction.

Now, there was one other question. It has always been a matter of complaint against the United States (and I may say it has sometimes been a matter of complaint against my good friend the Minister of Customs) that the pious intentions of tariff makers are sadly interfered with by the administration which makes the regulations, and so we thought it necessary to bring that question to the notice of our American friends. As these regulations may arise from time to time, it is impossible to deal with them in detail, but what we thought we ought to do was to obtain on both sides a declaration that there should be no interference by means of vexatious regulations with the good intentions of the reciprocal arrangement, and that both parties would sincerely and earnestly endeavor to facilitate trade along the lines contemplated. It is set forth in our correspondence that if any regulation is found to work adversely either party would have the right to make representations concerning it, and each party pledged itself to the other that it would endeavor to remove any regulation as to which there was found just cause of complaint.

There is one other question before I come to deal with the correspondence and the schedules, namely, the very important branch of our national industry which touches the fish question. Canada has never enjoyed the advantage of free fish into the United States except upon the condition that she should grant the United States not only similar privileges, but the right to fish in the national waters of Canada. This was a condition of the old reciprocity treaty, and under that condition very satisfactory progress in our fisheries was made. There are some people in our country to-day who attach so much importance to the item of free fish that they would be willing, in order to obtain it, to give to our American friends the right to fish in our waters. We do not think that this represents the national sentiment. We said to our American friends that we were willing to meet them in the exchange of commodities, that we wanted to show our good will, but that we could not discuss this question at all of giving them free fishing, and practically at an early stage in the negotiations that feature was eliminated. One thing further we have done: We have secured, I must say unconditionally, for the first time what is regarded as the very substantial advantage of the free admission of our fish of all kinds into the United States markets. In what is commonly called the Chamberlain-Bayard treaty, made between Mr. Chamberlain and Sir Charles Tupper on the one side and Mr. Bayard, of the United States, on the other, in the year 1888, provision was made that free fish be admitted into the United States, and the condition set forth in that treaty was that Canada should give to the fishermen of the United States certain commercial privileges, such as the right to come into our ports and obtain bait, ice and supplies, and to ship crews and transfer their fish. These commercial privileges were to be granted free of all charge and cost to the United States in exchange for the privilege of free fish in the United States market.

It was believed at that time that the treaty would probably be ratified; but as there must be some delay in the ratification, and with a view of avoiding the friction which unhappily was existing in relation to our fisheries, there was put into the form of a protocol what was commonly known as the *modus vivendi*, in which it was declared that for a period of two years, that being the period within which it was thought the treaty would be ratified, the United States would be allowed to enjoy these commercial privileges by a license to be issued to their fisherman at the cost of \$1.50 per ton. That arrangement, which was contemplated for two years, has existed down to the present

time. The treaty was not ratified, the American government was not able to secure its ratification in the Senate, but inasmuch as the withdrawal of the modus vivendi, it was thought, might lead to some friction and some embarrassment, the Canadian government decided to let it remain in operation, and it has so remained down to the present time. We get a few thousand dollars from the licenses which are so issued to our American friends. We do not value this license system for the sake of the small revenue it yields. The important point is to maintain our national control of the inshore fishery. As we shall, if this arrangement be confirmed, receive the benefit contemplated by the treaty of 1888, which failed of ratification, we propose to give the United States fishing vessels these licenses, not exactly free, as that treaty proposed, but for the nominal fee of \$1.00 per annum."

PUBLISHED IN BLUE BOOK AND SMALL PAMPHLETS.

The detailed agreement respecting Reciprocity and the correspondence in connection with it will be found in a blue book issued by the Government. It has also been published in a number of small pamphlets freely circulated amongst the people and the schedules in the arrangement appear in the last pages of this pamphlet.

MORE MARKETS REQUIRED.

The Liberal party believes that the Reciprocity arrangement will provide a valuable market for the Canadian producer and ensure him getting the highest prices. The Conservatives oppose Reciprocity and say, "Let well enough alone."

The debates of the House of Commons show the conditions (as they see them), that the Conservatives now want left untouched.

For instance, W. H. Sharpe, Conservative M.P. for the constituency of Lisgar, Manitoba, speaking on the 13th December, 1910:—

"The minister has also been asked time and time again to open up new markets. There are resolutions in this report (report of the second general convention of the National Live Stock Association), asking him to open up new markets, and I would like to know if he has done it, if he has ever made any attempt to open a market for the thoroughbred stock of this country."

Yet now he says, "Let well enough alone."

Glen Campbell M.P., for Dauphin, Manitoba, on November 30th, 1909:—

"This trade (cattle) already of such large proportions, is growing year by year, and it must be taken care of. To take care of it in the proper way it is required that the Government should take every opportunity to find a market for our products."

Yet he now says, "Let well enough alone."

J. W. Edwards, M.P. for Frontenac, Ontario, on January 21st, 1910:—

"In 1908, the United States provided us with a market for \$96,900,000 of our goods, but in the same year our smaller population afforded for the people of the United States a market for \$214,000,000 worth of their goods. There was thus an adverse balance of trade for Canada of \$118,000,000. Hon. gentlemen opposite say that cuts no figure. But will any man in this House say that he would not prefer to have those

"figures reversed. Will any man say that it would not be better for Canada "if we were selling the United States \$214,000,000 worth while they were "selling us \$96,900,000 worth. In 1908 we bought from the United States "\$1,254,704 worth of horses. And what market did they afford for our "horses. They took \$900,000 worth. Why was this? As I stated last "session and repeat to-day, it is largely because our tariff discriminates "against the Canadian farmer, that is, under the tariff arrangements, it is "easier for the American farmer to bring stuff into Canada than for the "Canadian farmer to get his stuff into the United States."

The Reciprocity agreement puts the Canadian farmer into the American market on the same terms as the American farmer himself enjoys, yet Mr. Edwards now says, "Let well enough alone."

T. S. Sproule, M.P. for Grey, Ontario, on November 30, 1909:—

"The home market of Canada is not able to absorb the products of "both the eastern and western provinces and hon. gentlemen can easily see "what a calamity it would be if we could not export our live cattle."

Yet when a market of 90,000,000 people is secured Mr. Sproule says, "Let well enough alone."

J. E. Armstrong, M.P. for Lambton, Ontario, on April 15, 1910:—

"What has the minister done in regard to opening up markets? The "great boast and cry of the men leading the Liberal party previous to "1896 was: 'Place us in power, and we will open up the markets of the "'world to the Canadian farmer; we will obtain for you the great market "'of 80,000,000 people to the south.' Let them point to one market that "they have opened up. They cannot do it, and they know it."

Yet when the very market he speaks about is opened up to Canada he refuses it and says, "Let well enough alone."

Mr. E. Paquet, M.P. for L'Islet, Quebec, on January 14, 1910:—

"Our financial institutions have, by their prudent, skilful, and enlight- "ened policy avoided economic disaster. They now require from the "government the opening of new avenues for the extension of our trade "in order to be able to compete successfully against the organized effort "of foreign nations.

"To Canada the markets of Great Britain and of the United States "are at present the most important."

Yet Mr. Paquet now wants Canada to refuse a new market, the market he couples in importance with the British market, and says, "Let well enough alone."

Mr. Monk, M.P. for Jacques-Cartier, Quebec, on November 30, 1909:—

"I am led to state that it seems to me we ought to negotiate treaties "with all countries that have need for our products and with which we "can deal advantageously. We have immense natural resources, there are "markets in which we could advantageously dispose of these resources and "these negotiations which we conduct for the purpose of business and the "development of the vast possibilities of our trade are useful to us."

And yet Mr. Monk now say, "Let well enough alone."

T. S. Sproule, M.P. for Grey, Ontario, on December 16, 1909:—

"Instead of getting an increased market and a better price for what "he wishes to sell, the market the farmer had is being destroyed and no "new market provided in its place."

And yet when a new market is provided Dr. Sproule says, "Let well enough alone."

Dr. Sproule, on December 16, 1909:—

"The Minister of Agriculture was going to do so much for the farmers, "being a farmer himself, and he jollies along in the same old slipshod way, "he does not get new markets, he only destroys the markets they had, "the German market and the home market here in Canada, providing nothing "in their place."

And again be it noted Dr. Sproule has had a change of faith regarding the necessity of markets and now says, "Let well enough alone."

Dr. Sproule, on November 30, 1909:—

"Before the Liberals came into power they said that the Conservative party were trying to find markets everywhere in the world except right "at home, at our very door, where there was a market of 85,000,000 people. "They said that if they were returned to power they would secure by their "sunny ways and their statesmanship, this market of 85,000,000 people "that would be more valuable than any market that could be secured "anywhere else in the world. They were returned to power but did not "make any effort to secure that market and apparently have no desire "to secure it. Have they ever attempted to secure it except on the one "occasion when they went to Washington for which trip Canada paid "\$35,000 or \$40,000. They came home with their heads down and we "never heard a word about it."

Those same Liberals have now secured an offer of that market of 85,000,000 people, but Dr. Sproule does not want it now and says, "Let well enough alone."

Geo. E. Foster, M.P. for North Toronto, on December 14, 1909:—

"Where is the Reciprocity with the United States that the hon. gentleman was going to get six months after he attained power. Where is "the approach to free trade, the goal to which my right hon. friend had "declared he had set his face with great determination, and from which he "would not recede until he had attained it."

Mr. Foster, December 14, 1909:

"Well, sir, we were to have many other things. We were to have a "market open for us everywhere. What markets have they opened to "us? Some markets have been closed to us, in others the rates have been "raised upon us. No foreign market in the world has yet been opened "to us by this aggregation of all the talents in the thirteen years during "which they have been in power. Some of our own sisters, the sub-nations "of the empire, have granted us, as we have granted them, certain preferential privileges; but outside of that, there is not a nation in the wide "world, outside of treaties which had been made before, into which any "ingress has been given by these gentlemen for the products of our country."

Mr Foster, however, does not now believe in opening up new markets, but says, "Let well enough alone."

J. A. Sexsmith, M.P. for East Peterborough, Ontario, on January 14, 1910:—

"It will be seen, therefore, that the Canadian farmers and market "gardeners have been able to sell to the 80,000,000 population of the United "States only \$5,695,000 worth of these natural products, while the American "farmer and market gardeners have been able to sell to the 7,000,000 or "8,000,000 Canadians \$21,546,000 worth. Thus, the farmers of Canada "are to this extent forced out of their own market and obliged to pay the

"freight for the transportation of their products to other markets of the world. This is the kind of treatment the farmers of Canada are receiving from this Government all along the line. I remember from my boyhood days hearing the Liberals when in opposition talking about capturing the markets of the United States for the Canadian farmers and having Reciprocity. The Liberals are in power. Have we Reciprocity to-day." To-day Canada can have Reciprocity, yet Mr. Sexsmith now says, "Let well enough alone."

The Treaty With France—An Occasion for More Reciprocity Talk by Conservatives.

When the French Treaty was under consideration in the Commons in 1909, the Conservatives who now spurn the American market were valiant champions of that same market, fashioning their chief criticism of the French Treaty on the line that its adoption might interfere with the United States. Here are some of their remarks:—

T. S. Sproule, M.P. for East Grey, Ontario, November 30, 1909:—

"In connection with this treaty, there seems to be two or three dangers ahead of us. One is that we may come in conflict with the Americans in the change of their tariff under the Aldrich Bill."

In 1909 he was afraid we might lose what we had of the American market. Now, he does not want it when it is made free to us. Then whatever market we had in the United States we had in the face of a high tariff. Now there is no tariff at all but he spurns the market.

W. S. Middleboro, M.P. for North Grey, Ontario, November 30, 1909:—

"I do not know whether or not the passage of this treaty with France is going to entail an extra duty on all products exported by Canada to the United States, but I do say there is a risk of that, and I also say that the risk of having a 25 per cent. duty put upon \$92,000,000 worth of our exports is not to be compensated by the trivial advantage we may possibly attain from a possible increase of our present trade with France."

If an extra 25 per cent. duty was a serious danger surely he should recognize a complete removal of duty as a great benefit. But to-day he says, "Let well enough alone."

Hon. R. L. Borden, Leader of the Opposition, November 15, 1909:—

"I shall venture to bring to the attention of the Government a consideration of our relative trade with France and with the United States during the past three years. Our aggregate imports from France during the past three years amounted to \$24,798,756; our aggregate imports from the United States during the same period amounted to \$546,622,303, or about 25 times greater than those from France. Our exports to France during the same period of three years amounted to \$6,392,400, and our exports to the United States during the same period amounted to \$285,146,337 or nearly fifty times as much. Under these circumstances I must confess that a consideration of the French treaty will involve some matters of serious import, and when that treaty does come to be considered I trust we shall have from the minister in charge of it some definite information as to what effect its ratification may have in connection with the probable effect of the United States tariff."

Mr. Borden, November 18, 1909:—

"But it must be borne in mind, notwithstanding what my hon. friend,

"the Prime Minister, says, that the ratification of this treaty may possibly
"have some bearing upon more than half our total foreign trade."

So even Mr. Borden worried about Canada's trade with the United States; feared that the market there provided, even in spite of a tremendously high tariff, might be injured. Yet to-day when that same market is made free to us, he asks the people of Canada to refuse it.

Mr. O. S. Crocket, M.P. for York, N.B., November 18, 1909:—

"I would not care to support the ratification of this treaty (with France).
"if I thought it would bring into effect the provision of the United States
"tariff subjecting Canadian goods to the extra 25 per cent. duty."

Mr. Crocket, too, thought the American market even with its enormous tariff, was too good a thing for Canada to lose."

Mr. George Taylor, M.P. for Leeds, Ont., November 18, 1909:—

"How can the farmers support a government that makes a bargain
"for getting a little trade with France by which it loses a great trade with
"the United States. I say it is the duty of the government to stay their
"hand until we see what our neighbours are going to do."

Mr. Taylor evidently shared with his fellow Conservatives the view that the United States market, despite its enormous tariff, was of great importance to Canada. And now when instead of that tariff being increased it is being removed completely, he thinks it is not worth having.

J. E. Armstrong, M.P. for East Lambton, Ont., November 18, 1909:—

"I sincerely hope that the Finance Minister will not attempt to force
"this House to take definite action at the present time on the French
"treaty, as in 1897 he forced this House to denounce the German treaty,
"which has resulted in twelve years of practical commercial war with
"Germany. That country last year imported two billion dollars worth of
"goods, one billion dollars worth of just such products as we are producing
"on the farms of Canada. We are practically driven out of the German
"market. * * * * The Hon. gentleman is taking a similar position to-day
"with regard to the French treaty, which may result in the United States
"placing on goods from Canada a surtax similar to the one placed on goods
"from Canada going into Germany. I sincerely hope that the Finance
"Minister will wait until we learn definitely what position the United States
"is going to take in the matter."

Mr. Armstrong, like the rest of the Opposition, had a high opinion of the American market for the Canadian farmer. Yet to-day he would refuse to allow Canadian farmers to accept free access to that market.

Hon. Geo. E. Foster, M.P. for North Toronto, November 18, 1909:—

"There is hardly a trader from Vancouver to Sydney who has not
"more or less intimate trade relations with the United States of America
"on which he makes profits, from which he gets gains and in the prosecution
"of which he has his capital employed. If the minister puts through any
"treaty so small as this, or even though it were larger, and the decision of
"the United States, through their commission and the president, is that
"in the end it discriminates against the United States he knows that the
"exact statement in the clause of the United States tariff is that thereupon
"25 per cent. is added to the duty on every article which goes from this
"country to the United States. That is a very serious thing. What
"happens as the next step. This country would certainly be acting outside

"of and recreant to its duty, should the United States put on that surtax
"of 25 per cent. if it did not follow suit with the surtax which is allowable
"and which is possible under the law which we have in Canada. What
"would that mean. It would mean a tremendous disturbance and dis-
"location of business amounting to \$270,000,000 per year as between us
"and the United States.

So Mr. Foster did not want to forego the American market, poor as it was
then for Canada on account of the high tariff, but to-day he wants none of it.

Mr. W. B. Northrup, M.P. for East Hastings, Ont., November 18, 1909: —

"Let us assume for a moment, this, because surely, the Prime Minister
"will not claim that there is sufficient advantage to be gained by Canada,
"not even the little trade we do, but the increased trade we may do with
"France under this treaty to justify the tremendous loss which would be
"inflicted on Canada by virtue of the imposition of the maximum tariff
"of the United States. Although the Finance Minister would not dream
"of saying that if the American maximum tariff were to be applied it
"would not be a far greater injury than the French treaty would be a
"benefit to us he calmly tells us: 'I do not know whether it will be applied
"or not and I do not propose to wait to find out.'

So Mr. Northrup, who now inveighs against Reciprocity, thought, in Novem-
ber, 1909, that the American market, even with its high tariff, was of tre-
mendous importance to Canada.

Mr. Monk, M.P. for Jacques-Cartier, Que., November 18, 1909: —

"I am very desirous that we should multiply our commercial relations
"with France. But we must not forget that our commercial relations with
"the United States are far more vast, far more considerable, and we must
"not jeopardize the one in order blindly to carry out the other which is
"less important."

Mr. Monk thought so much of our commercial relations with the United
States that he would not jeopardize them even in a cause that he had a deep
interest in. Yet to-day when it is proposed to remove an enormous impediment
to these relations, he wishes to jeopardize an opportunity to vastly improve
these commercial relations.

More Conservative Praise for Reciprocity Before the Liberals Arranged For It.

But not only have the Conservatives insisted that the Government was not
doing its duty in the way of securing new markets for the farmers of Canada,
and that the American market was of tremendous importance to Canada (despite
its enormous tariff), but they clearly showed that they believed Reciprocity
would be a good thing.

W. H. Sharpe, Conservative M.P. for Lisgar, Manitoba, April 15, 1910,
said as reported in Revised Hansard, page 7248:—

"Let me for a moment direct the attention of the minister to the com-
"bines existing in Western Canada. In the little town of Mowbray in
"1908, the elevators handled over 300,000 bushels of wheat, but last spring
"a spur railway was built across the line into north Dakota and an elevator
"erected there, with the result that last year instead of handling 300,000
"bushels on the Canadian side there were only 100,000 bushels handled,
"while the United States elevator handled 300,000 bushels. Our farmers
"took their grain across the line and shipped it in bond back into Canada

"to the lake ports, and by pursuing this course they received from 13 to 14 cents a bushel more for their grain than if they had dealt in Canada. Let me tell the Minister of Agriculture also that whereas in the province of Manitoba along the boundary line the land is worth only \$20 or \$25 and in some cases \$30 per acre; right across on the American side on account of the better treatment which is accorded the farmers in north Dakota, the land is worth from \$40 to \$50 an acre. Then with regard to the beef industry, I might remind the minister that he had been asked many times to investigate the beef industry of the United States, Australia and the Argentine Republic, but he has always refused or neglected to do so. I represent a mixed farming community, and last year we shipped 512 cars of cattle to the city of Winnipeg. I know numbers of farmers in my constituency who always in the past have kept from 50 to 75 and 100 head of cattle, but these men are selling out their herds and going out of business because the combines are robbing them of every dollar they should make. It goes without saying that the farmers must keep stock in order to keep up the standard of their land, and if the cattle industry goes so much the worse for general farming. There were 110,000 head of cattle shipped to the city of Winnipeg last year, and all the farmers could get from the beef combine in that city was an average of \$3.87 per hundred weight, while at the same time the average price of similar cattle in Chicago was \$6.27 per 100 pounds. There must be something wrong with the cattle trade when such a condition exists. In 1907, the Roblin government appointed a commission to look into the conditions of the beef trade in Manitoba and they found that on each beast a farmer raised in that count. \$5.80, that the retail dealers made an average profit of \$13.60, and the abattoir men—in other words, the great beef combine of Winnipeg—23.10 per head. The public abattoir in Montreal charges \$1 for killing, so that we may infer there was a clear profit of \$22 per head to the abattoir owners, or the beef combine in Manitoba. With 110,000 head of cattle going in, the meat combine in Winnipeg took out of the producers between \$1,000,000 and \$2,000,000 more than they should have done. Is it any wonder that the producers are quitting. The combine is simply driving them out of business. The drovers from North Dakota come across to Manitoba and buy cattle and drive them across the line and pay the duty, which I think is 25 per cent."

Mr. T. Chisholm, November 24, 1910, Revised Hansard, page 258:—

"Personally I would favour Reciprocity if I thought we could get a fair deal."

Mr. Northrup, November 29, 1910, Unrevised Hansard, page 408:—

"An arrangement may be made which will admit many of the products of the Dominion into the United States on satisfactory terms. (Extract from Speech from Throne).

"Why, of course, we would both hold up both hands for that." and again:—

"Everybody will hold up both hands for any arrangement to enable us to send our goods on satisfactory terms to us in the United States."

J. W. Edwards (Frontenac), January 21, 1910, Revised Hansard, page 2228:—

"But when this Government took the duty off American corn they neglected a splendid opportunity of conferring a great benefit upon the farmers of Canada in not exacting from the United States a quid pro quo that they would remove the duty from Canadian barley."

J. A. Currie, December 17, 1909, Revised Hansard, page 1715:—

"The Americans send thousands of bushels of potatoes into Canada because their potato crop ripens earlier than ours and yet the Canadian farmers in New Brunswick are practically prohibited from sending potatoes into the United States."

Mr. Monk, M.P. for Jacques-Cartier, Que., November 22, 1910:—

"Sir, if we take as our guiding principle what was laid down by Sir John A. Macdonald in 1878, the principle to which the Conservative party has ever been faithful, we will accomplish two things: We will negotiate with our neighbors upon points upon subjects where our own interests, the interests of our industrial life, are not affected. Why should we not have commercial relations with them? The moment our own interests are at stake, and nobody will understand that better than our neighbors themselves—then we can hesitate. But it does seem to me that if by an interchange of commodities, of farm products, and such articles, where we can, without injury to our own people, and where they can without injury to themselves, but with mutual benefit to both sides, make an exchange and lessen the burden of a heavy tariff, why should we not accept the invitation now extended to us."

J. D. Reid, March 30, 1910, Revised Hansard, page 6001:—

"Then there is wheat, the great output of the Northwest. If we could get wheat into the United States it would be a great help to the farmers of the Northwest. But the Minister of Finance did not take the farmers into consideration at all, in so far as the Northwest was concerned, and did not try to get any of these articles on the free list. * * * I would like him (the Finance Minister) to get Reciprocity in agricultural implements, as was promised some years ago. The farmers want Reciprocity in agricultural implements and the Minister of Finance should have tried to get an agreement with the United States with respect to them."

W. F. McLean, March 30, 1910, Revised Hansard, page 5979:—

"So, what I warn this House and the country of is this: We have had a friendly settlement of a question which might have involved a tariff war but nothing has been done, as yet, to take out the sting that is in the American tariff for Canadian products, that seek the American market."

"If we carry out this idea, perhaps, some day, the Americans will come to us with some kind of trade reciprocity. They may say: We want your farm products and we will remove some of the duties that we impose upon you."

"Anything we get from the United States will be the result of—I must use the word, for it is the only one that applies—the result of retaliation."

Mr. Herron, March 30, 1910, Revised Hansard, page 5999:—

"I wish to say a few words on the resolution now before the House. Might I suggest to the Minister of Finance, now that he has capitulated to the United States Government and while these tariff arrangements are under consideration, that this would be a splendid opportunity for him to do something for the Western farmers. For many years we have been promised better trade relations in regard to farm machinery, to wheat, and some other farm products. I think it would be a much greater benefit to this country to put binders on the free list than feathers or perfumery, and things like that of which we have heard to-night. I think this would have been a grand opportunity for the Government to fulfil some of the pledges they made years ago to the farmers of the Northwest. We know that prior to 1896 the Prime Minister and his followers made pledges that

"if they were in power they would put farm implements on the free list. "I do not know whether the Prime Minister himself made that statement "emphatically, but many of his followers, who afterwards became ministers, "did make it. I think this would have been a fitting opportunity to insist "upon Reciprocity in agricultural implements between the two countries "as well as in wheat and other grains. * * * * I am sorry that the Finance "Minister has not been able to do something in the interests of the farmers "in negotiating this treaty."

J. E. Armstrong, April 15, 1910, Revised Hansard, page 7239:—

"Then take the fruit industry. He tells the people of this country "through the men in his employ to get to work and plant trees. A splendid "industry for the general development of this country and of great advantage "to the farmer. But what do we find? If it were not for the Western market "to-day where would the products of the Eastern provinces go to? Instead "of going into the markets of the world under proper conditions and under "favourable auspices. Nobody knows better than the member who is likely "to follow me that we are sending out only 1,500,000 barrels when we should "be sending out from 5,000,000 to 10,000,000 barrels."

A year ago Mr. J. A. Currie of North Simcoe was quite positive such a good thing as Reciprocity could not be secured. He said, Revised Hansard, March 30th, 1910, page 5984:—

"I was very much amused to see the discussion in the Liberal papers "about this matter leading to Reciprocity. Anybody who knows anything "about treaties or treaty-making knows very well that the idea of a Reciprocity treaty does not exist to-day as it did before 1890. The whole form of "making commercial treaties has changed, and there is no countries in the "world, except the United States and Great Britain, which clings to the old "Reciprocity treaty idea. Anybody knows that by making this double-column tariff, as they have done recently, the United States have also "given up the idea of a Reciprocity treaty. What is the difference between "a Reciprocity treaty so-called and a favored-nation clause treaty? A "Reciprocity treaty is a straight treaty between two countries in which one "country says: We will admit certain articles free, or under certain conditions, into our country if you will admit certain articles under similar "conditions into yours, and it is a bargain between the two of us. That was "the kind of treaty we negotiated in 1854, but that kind of treaty-making "has gone out of fashion. They talk about obtaining commercial treaties "on a reciprocal basis with the United States. Why there are fourteen of "these reciprocal treaties with foreign countries hung up which never have "passed Congress. * * * * Let us glance briefly over this matter of treaty-making between Canada and the United States. It was in 1846 that the "question first came up. A form of treaty was then negotiated, but it came "to naught. Finally, after a great deal of trouble, a treaty was passed in "1854 and it continued from 1854 to 1865. That treaty was of great benefit "to this country. Anybody who studies the statistics of that period will "know that our trade with the United States was speedily placed upon an "even basis. When the treaty was made, the United States sold to Canada "\$24,000,000 worth of goods, while Canada sold to the United States "\$8,000,000 worth. In 1865, when the treaty was denounced, Canada "bought from the United States \$27,000,000 worth of goods and sold them "\$33,000,000."

Then on page 5985 Mr. Currie says:—

"As the Minister of Finance said, the Hon. George Brown went to "Washington and negotiated a treaty. Anybody who reads the life of

"George Brown knows that John Sanfield Macdonald, at the time the Reciprocity treaty was denounced asked the editor of the Globe to go to Washington as a quasi representative of the Canadian Government to negotiate a treaty on the quiet, exactly as his follower to-day has done. The correspondence is published in the Life of George Brown by Alexander Mackenzie and no doubt the able editor of the Globe is a careful student of the life of his predecessor and has followed the same course. In 1874 a new treaty was negotiated. It was adopted by the President of the United States and by this Government, and it was a very good treaty. But as soon as it went to Congress it was thrown out because the United States said that if they could squeeze Canada against the wall, she would very soon come into the union."

Mr. E. D. Smith, Wentworth, March 20, 1908, Revised Hansard, page 5377:—

"I would ask: Has this Government, during the past ten years, opened up any new markets? * * * * Have we been able to get our products into France or the United States on better terms? Not at all. When they were in opposition these hon. gentlemen opposite promised that if they were returned into power they would get our calves and sheep and horses in free to the United States—yet to-day these animals go to the United States subject to exactly the same duties as they were then."

Mr. H. S. Clements, M.P., April 10, 1908, Revised, page 6528:—

"I remember how the Prime Minister used to declare in every district where he spoke that if he and his party came into power they would cut across the border, and with their sunny ways, would make an arrangement by which we should get a mutual exchange with our American neighbors not only of agricultural products but of other products as well. But these sunny ways have not fulfilled their promise; on the contrary the changes have been rather to our detriment than in our favour since this government came into power. * * * * It will be enough to say generally that the American duties are about two and a quarter times as high as our duties against them * * * * The tariff as arranged a year ago seemed to me a tariff arranged to bleed the people for revenue. The necessities of life are unduly taxed to the disadvantage of every mechanic and labourer in Canada. * * * * If our government had said to the American government: 'If you will give us a fair exchange in certain natural products, if you will give our farmers your markets for beans and barley in return for the market we give to your corn,' that would have been a fair exchange. You may call it free trade if you like; if that is free trade then I am a free trader in regard to some of the natural products of Canada and the United States. I would give 100 per cent. for 100 per cent., I would not give 200 per cent. for 50 per cent. as our government are practically doing to-day under existing conditions."

But even Mr. Ames, the chief apostle of high protection, as recently as February, 1911, saw some benefit in Reciprocity. He said:—

"Would it not have been wiser for us to have waited to see what they would do before we rushed in and gave concessions? Would it not have been wiser also to have waited until after the Imperial Conference? Then we would have been in a position to see how far our neighbors to the south would go of their own initiative, and if it were then necessary to make a limited treaty with them on articles on which they were not prepared themselves to give us freedom of access to their markets, it would have been right and a proper thing to do so."

As late as August 15, 1910, William Wright, Conservative M.P. for Muskoka

gave an opinion favorable to Reciprocity in reply to a query from the Toronto Sun.

"With regard to Reciprocity I would say that I am favorably disposed to the widest possible freedom of trade, so long as it is on a fair basis and my idea of a fair arrangement is one that in the working out will enable us to sell as much as we buy from any country and any trade that has not the above result is one Canada cannot afford to make. * * * * As to the position of the United States, they expect in any trade arrangement with Canada to play the part of the Egyptians while Canada plays the part of the Israelites and consents to remain in commercial bondage. We may be allowed to sell them our raw material, such as saw logs and pulp wood, free. In return they will expect us to buy them back in the shape of manufactured goods and give them our markets free. * * * * As to the offer of the United States to exchange farm implements, free, I cannot see any reason why a binder should pass the border free that would not apply equally to the grain the binder harvests. I would be willing to see binders, reapers, mowers, rakes, etc., pass the border freely by both countries, providing every farm product the above machines help to harvest, also pass freely. The proposition would be a fairly good test of the desire of the United States for a trade arrangement. As to harvesting machinery it ought not to be forgotten that the great bulk of the production in the United States is in the hands of a giant merger, and a large part of Canadian output is in the same hands, and in the case of free imports this interest would soon control the situation in Canada."

T. Chisholm, Conservative M.P. for East Huron, Ontario, also wrote to the Sun. He said in part (August 19, 1910):—

"In regard to Reciprocity with the United States I may say that I would favor it, only I have no faith whatever that we would secure a fair deal. The United States refused Reciprocity to Canada at a time when we would have been greatly benefitted by it. Now when we have succeeded in finding more stable and reliable markets in Britain and elsewhere I think that we should be very, very careful indeed especially when dealing with sharp and selfish Uncle Sam."

Even in 1900 the Conservatives supported Reciprocity. One of the pamphlets they used in the campaign of 1900 was entitled, "Markets for the Farmers," and this pamphlet contained the following statement:—

"The Conservative policy has always been," among other things, "access to the Canadian market for agricultural products of the United States only on the condition that similar entrance shall be given for Canadian products into their markets."

This is the arrangement now secured by the Liberals and before the people for endorsement.

Conservative Newspapers Favorable.

From the above it is clear:—

1. That the Conservatives have right along recognized the necessity of securing new markets.
2. That they considered the American market of vital importance to Canada.
3. That many of them until quite recently strongly believed in Reciprocity.

The Conservatives did not denounce the principle of Reciprocity even a year ago when the slight modification was made in the tariff to prevent the

United States surtax being imposed upon Canada, and it was known that further negotiations were to take place. They scolded the Government at the time chiefly on the ground that they were really giving the United States something for nothing.

Even the Conservative newspapers which are now so vehemently denouncing Reciprocity were at that time (a year ago), in favor of Reciprocity negotiation. Their chief worry was that we might have to make too many reductions ourselves in order to get anything from the United States. On April 2, 1910, the Winnipeg Telegram said:—

"Reciprocal treaties must be judged upon their merits upon what is received and what is given in exchange. The fact of proposed negotiation in itself does not either bestow credit or require disapproval. But in treating with the United States, Canada has placed herself under a very serious handicap in various different ways. By what she has already given away for nothing Canada has diminished her bargaining material. As placed the United States on a level with France in regard to the articles in which the trade of the United States enters into competition with that of France. If the United States had that to sue for, the United States would naturally be in a more yielding mood in respect to concessions in its own market."

Mail and Empire, March 15, 1910:—

"The United States market has been kept absolutely closed to a large volume of Canadian merchandise that tended to go there. No such exclusive effect on the sale of United States merchandise in this country was had by our tariff. If free trade were suddenly declared as between the two countries, the addition that would immediately be made to Canada's sales in the United States would be much greater than the consequent addition to the United States sales in this country. In other words, Canada has advanced much farther towards the concessions of a free market to the United States than has the United States towards a like concession to Canada. The proper way to compare the mutual reactions of the tariffs is by comparing the export trade each country does with the other. Canada buys from the United States twice as much as it sells to the United States. That is the conclusive argument that it is Canada, not the United States, upon which the balance of unfavorable treatment falls."

Mail and Empire, January 10, 1911:—

"The conditions, therefore, are all on Canada's side. We need no Reciprocity. On the other hand our neighbors are for national and for party reasons most anxious to enter into a treaty. This gives the Canadian negotiators an opportunity to drive a bargain that shall be satisfactory to us, or, failing that, to refuse to come to terms. There need be, then, no sacrifice of any Canadian interest. There need be no capitulation to Washington. If a treaty be decided upon it ought to be a bargain in value of which Canada makes important commercial gains. It ought to be an arrangement by means of which the balance of trade, now so much against us, shall be turned in our favor."

The Montreal Star, now so vehemently fighting Reciprocity simply because it is Reciprocity, was not opposed to Reciprocity on principle a year ago. It did not denounce it then. All it wanted was that Canada should be careful and not pay too high a price for Reciprocity. On October 3, 1910, it said:—

"The Americans have in the past shown themselves efficient in the use of the ordinary machinery for the preparation of the raw material of trade negotiations. This tariff board is a new weapon which they have forged, partly to aid them in this work, and they doubtless expect that it will materially strengthen them. Our negotiators will have to meet their American conferees with the older weapons only, and they will do well, therefore, to see that they are equipped with the fullest information in regard to all phases of the questions at stake. The fact that we came so well out of the preliminary skirmish of last winter will not protect us in the coming general engagement, and we cannot afford to rest on our laurels in the slightest degree. Nor will the circumstance that we undoubtedly hold the strongest cards ensure us a favorable termination of the negotiations. The American representatives will act under pressure from large interests to which reciprocity may mean large revenues. Our negotiators will have to be on the watch against all attempts to 'jockey' us out of the advantages which we now undoubtedly hold.

"The Canadian attitude towards the United States is of the utmost friendliness. We are quite willing to accept Reciprocity on proper terms. But we are also quite ready to allow present conditions to continue, unless we get the terms which we deem proper."

Toronto News, March 2, 1910:—

"While the United States tariff is so much higher than the Canadian tariff, Ottawa scarcely is likely to make any considerable concessions except upon the basis of a mutual scaling down of duties. It is not enough to offer us a mere continuation of the present American schedules in exchange for trade favors from this country."

An Historical View of Reciprocity.

Both Political Parties Have Made It Their Policy Ever Since Confederation.—Conservative Inconsistency.

In view of the attitude of the Conservative party of to-day in opposition to the Reciprocity agreement, emphasis must be laid upon the very important fact that, until quite recently the position of both political parties in Canada has been one which looked to the consummation of closer trade relations with the United States. Long before the Confederation of the British colonies in North America, the sentiment in support of reciprocity was strong: indeed, it might well be said to have been the moving spirit of the politics of the ante-Confederation period.

It does not require any person to have been a very close student of Canadian history to know that the troublous times which began with the rebellion of 1837-8 and which ended with the Rebellion losses agitation in Montreal, with its celebrated manifesto in favor of annexation, signed by all the leading Tories of the day, including J. J. C. Abbott, who later became a Conservative Prime Minister of the Dominion, were ended only by the negotiation of the Elgin reciprocity treaty of 1854. That was the only time in the history of Canada when there was any sentiment of weight in favor of annexation and that was killed by the reciprocity agreement negotiated by Lord Elgin.

THE TREATY OF 1854-1866.

That treaty went into effect in 1854 and remained in force until August 12, 1866. Under it there was a tremendous increase in trade. The commerce between the two countries quadrupled in twelve years and there was a substantial balance of trade in favor of Canada, small though the population of the then provinces was in those days. It cannot be denied that when this treaty was negotiated it met with considerable criticism by interested parties, just as all subsequent attempts to improve the trade relations between the two countries have been criticized and opposed by those whose interests were affected. But the treaty proved of great value to both countries and when it was abrogated after the close of the American Civil War, through a mistaken idea on the part of those in control at Washington that Canada had sympathized with the South in that great struggle, there was great anxiety upon the part of Canadian public men as to what would be the outcome.

Remember that this was a year before the birth of the Canadian Confederation, the union of Ontario, Quebec, Nova Scotia and New Brunswick, as the nucleus of that great Dominion which now stretches from Atlantic to Pacific, and, indeed, one of the great arguments which produced that Confederation, especially in Nova Scotia and New Brunswick, was that in view of the abrogation of the treaty with the United States it was desirable that the provinces should be united

in order that they might be stronger in their efforts to bring about a re-adjustment of our commercial relations and the procuring of a new treaty.

THE FIRST STANDING OFFER.

And so, from the very beginning of Confederation, the desire for reciprocity became the established policy of the country. It was the established policy not of one political party, but it was the policy of all political parties that have had to do with the government of Canada. In 1868, in the first year of Confederation, there was enacted in the tariff a standing offer of reciprocity to the United States. The men of that day who controlled the Government of Canada, headed by Sir John A. Macdonald, felt that as one of their first steps they must make this declaration that they desired to renew a reciprocal arrangement with the United States. Accordingly there was carried into the tariff of 1868, the first after Confederation, that standing offer of reciprocity with the United States.

A year later, the late Sir John Rose, then Minister of Finance of the Dominion, was sent to the United States as a delegate from the Canadian Government, to endeavor to do that which had been attempted by the late Sir Alexander Galt and his colleagues, an endeavor to bring about reciprocity. His mission failed, like its predecessors, but notwithstanding the standing offer was renewed, though changed somewhat in form.

Again in 1871, Sir John A. Macdonald went in person to Washington and sought, in the negotiation of what was then called the Treaty of Washington, to bring about commercial reciprocity. Here again Canada was unsuccessful, but still the Conservative Government maintained its standing offer in this tariff.

THE GEORGE BROWN TREATY.

The Liberals came into power in 1874 and one of the first acts of the Premier, Hon. Alexander Mackenzie, was to despatch the late Hon. George Brown to Washington to endeavor to negotiate a treaty of trade and commerce. Unlike his predecessors he was successful, and he brought back with him a draft treaty which was acceptable to both administrations, but was not ratified by the United States Senate. And in passing, it is interesting to note how history is repeating itself in 1911. The treaty of 1874 had no sooner been negotiated than it was met with a storm of protests by the "interests" affected, just as the agreement of 1911 is being opposed by the "interests" of to-day. Canadian Boards of Trade objected to it, because "it was going to ruin our manufacturing interests," while American business men protested that it would divert trade from American channels and build up Canadian routes of communication; and the farmers of the then Western States protested, just as vigorously as are the farmers of the Western States of to-day, that the introduction of Canadian products into the Republic would ruin their industry. But the interests proved too strong at Washington, and so the Brown treaty failed of ratification.

SIR JOHN MACDONALD'S OFFER.

Then time went on until after the general election of 1878, and the return to power of Sir John A. Macdonald and the Conservative party upon the National Policy platform. What was the attitude of the then Conservative leader

towards reciprocity with the United States? In the very resolution which he presented in the House of Commons in 1878 which was the basis of the National Policy campaign, Sir John said:—

"That this House is of opinion that the welfare of Canada requires the adoption of a national policy, which, by a judicious re-adjustment of the tariff, will benefit and foster the agricultural, the mining, the manufacturing, and other interests of the Dominion; that such a policy will retain in Canada thousands of our fellow countrymen now obliged to expatriate themselves in search of the employment denied them at home; that it will restore prosperity to our struggling industries, now so badly depressed, will encourage and develop an active inter-provincial trade, and moving—as it ought to do—in the direction of a reciprocity of tariffs with our neighbors, so far as the varied interests of Canada may demand, will greatly tend to procure for this country, eventually a RECIPROCIDITY OF TRADE."

In the very first tariff presented to the House of Commons by the National Policy Government was this permanent offer of reciprocity to the United States. (See section 6 of the Tariff Act of 1879):—

"Any or all of the following articles, that is to say: animals of all kinds, green fruit, hay, straw, grain, seeds of all kinds, vegetables, (including potatoes, and other roots), plants, trees and shrubs, coal and coke, salt, hops, wheat, peas and beans, barley, rye, oats, Indian corn, buckwheat, and all other grain, flour of wheat and flour of rye, Indian meal and oatmeal, and flour of meal of any other grain, butter, cheese, fish, (salted or smoked), lard, tallow, meats, (fresh, salted or smoked), and lumber, may be imported into Canada free of duty, or at a rate of duty than is provided by this act upon proclamation of the Governor in Council, which may be issued whenever it appears to his satisfaction that the said articles from Canada may be imported into the United States free of duty, or at a rate of duty not exceeding that payable on the same under such proclamation, when imported into Canada."

It will be noticed by a comparison of this offer with the terms of the agreement now before the country that the Conservatives were willing, aye, eager, to give greater concessions to the United States than those included in the agreement reached between Secretary Knox and Hon. Mr. Fielding. Yet there was then no cry, such as there is to-day, that reciprocity spelt treason, that it was disloyal; on the contrary, it was then the height of patriotism, because, forsooth! it was an offer made by a Conservative Government.

OTHER CONSERVATIVE OVERTURES.

Not content with their standing offer which was renewed year after year, and which found a permanent place in the Revised Statutes of 1886, Sir Charles Tupper is on record as having said in the House of Commons, in 1887, in answer to

"Both the Imperial Government and the Government of Canada are doing all in their power to promote a friendly adjustment of the fisheries difficulty and a RECIPROCAL TRADE ARRANGEMENT WITH THE UNITED STATES."

That was not disloyalty, in the eyes of the Conservatives, but it was only just what has been accomplished by Messrs. Fielding and Paterson, who have succeeded where the Tories failed. Sir Charles Tupper himself went down to Washington in 1888 to seek reciprocity, but again he failed, although he was ready, in return for commercial concessions, to give the Americans free access

to the fishing privileges of the Dominion of Canada.

Before leaving on his mission to Washington, Sir Charles said from his place in the House of Commons:—

"But no matter how they may endeavor to confuse the public mind, THE PEOPLE UNDERSTAND THAT THE LIBERAL-CONSERVATIVE PARTY AS A WHOLE ARE STILL READY TO MAKE A FAIR TRADE AGREEMENT WITH THE UNITED STATES WHENEVER THE UNITED STATES ARE PREPARED TO ENTER INTO SUCH AN AGREEMENT. . . We have said time and again to the Government at Washington: we have said it in all the official correspondence; and true to that policy we are not taking a cringing attitude. I believe we will yet succeed in making a fair arrangement with the Republican Government lately installed at Washington and we will do it as men and as Canadians, just as independent in Canada in reference to our future and our present as the Americans, to their credit, are independent in the United States."

And after his return from Washington, what did he say? Although his mission had been a failure, he was compelled to admit:—

"I am glad, after spending some three months in Washington, to be able to say that I had very intimate intercourse with gentlemen of different politics holding high positions in the Senate and the House of Representatives, that I took many opportunities of discussing this question with them, and that the result is that I did not find one statesman in the United States who expressed his satisfaction with the termination of that treaty (of 1854). I believe the general expression in that country is that commercially it was a mistake to have terminated that treaty, and that it would have been infinitely better for the United States and for Canada if it had been continued. I feel it is only right to say that THE EFFORT TO OBTAIN THE FREEST POSSIBLE COMMERCIAL INTERCOURSE BETWEEN CANADA AND THE UNITED STATES CONSISTENT WITH THE RIGHTS AND INTERESTS OF THE TWO GOVERNMENTS, IS A POLICY THAT DOES NOT BELONG TO ONE PARTY ALONE, BUT IT IS THE PROPERTY OF BOTH PARTIES IN THIS COUNTRY."

Sir John A. Macdonald in the last appeal which he ever made to the electors of Canada, went to the country to ask for a mandate to negotiate a trade treaty with the United States. He had determined upon a dissolution of Parliament and he made the pretext for that dissolution a statement that an offer for negotiations had come from the then Secretary of State at Washington (Hon. J. G. Blaine).

The *Toronto Empire*, then the leading organ of Sir John A. Macdonald, his own personal creation, in fact, in its issue of February 4, 1891, published an article on its first page that read in part as follows:—

"The *Empire* is privileged to publish a copy of the despatch from His Excellency the Governor-General to the Secretary of State for the Colonies, showing the nature of the Government's proposals to the United States and indicating the earnest desire of the administration for the development of trade between the United States and Canada."

This despatch was dated Government House, Ottawa, December 13, 1890, and its first clause read as follows:—

"Renewal of the reciprocity treaty of 1854 with the modifications required by the altered circumstances of both countries and with the extensions deemed by the commission to be in the interests of Canada and of the United States."

Mark you, these words might almost have been penned in description of the agreement reached at Washington in 1911, because that agreement is one which has "modifications required by the altered circumstances of both countries."

The attitude of the Conservative party upon the reciprocity issue in 1911 was further illustrated by the *Empire* of the same day (February 4, 1891), when it said:

"The Dominion thereupon asked the Imperial authorities to remind Mr. Blaine that Canada had always been ready for a fair reciprocal arrangement and had made repeated offers to that effect, which, however, had been ignored or refused by the United States."

And in an editorial in the same issue, it said:

"There is no reason why a fair and honorable reciprocity, advantageous to both Canada and the United States, should not be the issue of such a discussion as is proposed."

SIR JOHN THOMPSON'S POSITION.

Speaking in Toronto during the same campaign, on February 6, 1891, to be exact, Sir John Thompson, then Sir John Macdonald's right hand man, and later Premier of Canada, is reported by the *Empire* to have said:

"A little over three years ago it transpired that negotiations were being entertained by the United States for the making of a treaty of reciprocity with the colony of Newfoundland. These negotiations have not yet ripened into a treaty but they were proceeding upon lines which were not unlike, so far as they went, the lines which Canada would be willing to pursue in any negotiations with that country, and not, mind you, at the dictation of the British Government, but on our own line. Mr. Blaine has intimated willingness to make a wide treaty for reciprocity and enter upon separate negotiations with Canada. That statement being made, we are bound to avail ourselves of that to extend our trade."

THE CONSERVATIVE OFFERS TO THE STATES.

That is not all in regard to the Conservative reciprocity campaign of 1891. The same Toronto *Empire* of February 11, 1891, came out with these black headlines:—

"Canada's Tenth Fair Offer. A Brief History of Reciprocity Since 1865. Canada Always Willing; the United States Always Turning a Deaf Ear."

"Nine out of Ten Offers made since 1865 Came from Conservative Ministers."

And then to finish with Sir John A. Macdonald's policy, the record above shows that the very last speech from the throne which he prepared for the then Governor-General (Lord Stanley of Preston) to read on April 3, 1891, two months before his death, contained this passage:—

"My advisers, availing themselves of opportunities which were presented in the closing months of last year, caused the administration of the United States to be reminded of the willingness of the Government of Canada to join in making efforts for the extension and development of the trade between the Republic and the Dominion, as well as for the friendly adjustment of those matters of international character which remain unsettled. I am pleased to say that these representations have resulted in the assurance that in October next the Government of the United States will be prepared to consider the best means of arriving at a practical solution of these important questions."

HON. G. E. FOSTER AS A RECIPROCITY ADVOCATE.

But although Sir John A. Macdonald was dead, the Conservative enthusiasm

for reciprocity continued. To quote Sir Wilfrid Laurier (House of Commons, March 7, 1911):—

"The Conservatives carried the election upon that policy (reciprocity), and as soon as the elections were over my hon. friend (Mr. Foster) and his government made a bee-line for Washington to interview Mr. James G. Blaine, who was then Secretary of State for the United States. But the excursion of my hon. friend on that occasion was not a happy one. Julius Cæsar said: I came, I saw, I conquered; but my hon. friend (Mr. Foster) might have said after that trip to Washington: I went, I was seen, I came back; he was ushered in and shewn out. But the following year, not abashed at all by the cool reception of the previous year, the following year, in 1892, the hon. gentleman made another trip to Washington, and though he was more cordially received on that occasion still the results were no better."

The record shows that in spite of the double rebuffs, the Conservative Government of that day continued to advocate reciprocity. In 1894, speaking from the Premier's seat in the House of Commons, Sir John Thompson said:—

"I may say, Mr. Chairman, that communications were indirectly made with the United States Government to the effect that Canada would be glad to know of any desire or willingness on the part of the United States Government to take measures towards the extension of trade between the two countries, and that Canada would be willing to reciprocate with due regard to the industries and interests of Canada, and with due regard to the revenue which would be necessary to Canada. At a subsequent stage an officer of this Government went to Washington for the purpose of seeing whether it was the desire of the United States Government or of the committee then having charge of the subject in the House of Representatives to enter into communication with the Government of Canada on the subject of tariff concessions on either side of the line."

And Mr. Foster, then Minister of Finance, not only incorporated a new standing offer in his tariff of 1894, a tariff which continued until he was turned out of office in 1896, and which included an offer of free fish, of free eggs, of free shingles and pulp wood, of free green or ripe apples, beans, buckwheat, pease, potatoes, rye, rye flour, hay and other vegetables, of free barley and Indian corn; but he said from his place in the House:—

"When they (the people of the United States) look over the items in our tariff as it shall have passed this House they will find that line after line, article after article, grade after grade, we have given them a better chance to get into our market than they have given us to get into their market; consequently LEGISLATIVE RECIPROCITY so far as trade is concerned shines out from the propositions that the Government put before the House to-day in a far greater degree than it does out of the legislation which they have proposed and which is in progress through their Congress."

And as late as 1899, this same Mr. Foster, who is now such a strong opponent of reciprocity when it has been secured by a Liberal Government, is on record as having said:—

"No matter what Government has been on the treasury benches, no matter what party has been in power, there has been a continuous and persistent attempt to cultivate better trade relations between this country and the United States of America in a reciprocity that should be equally beneficial to both countries. The negotiations of 1866, of 1869, of 1871 and of 1888 all bear testimony to that."

WHO HAVE ASKED FOR RECIPROCITY?

For fifty years both political parties in Canada have strongly advocated reciprocity and have endeavored to secure reciprocity. In Appendix B at the back of this book will be found a statement showing this in detail. Summarizing the facts for the moment, the historical side of reciprocity is as follows:-

- 1854-1866. Reciprocity in natural products with the United States. This arrangement was the outcome of free trade in Great Britain, which abolished preferential duties on eighty Canadian products and left Canadian trade much depressed. To Canadian remonstrances all Gladstone would reply was that he hoped Canada had more than a pocket love for England. Lord Elgin, the Governor-General went personally to Washington to second the efforts to obtain this treaty. It lasted for twelve years, during which time its benefits were said to be twenty to one in favor of Canada. It was terminated in 1866 because United States politicians did not like Great Britain's attitude in the American civil war, also because the new Canadian tariff put high taxes on American manufactures, and because there was an idea that cutting off Canada's United States market might drag her into political union.
- 1865.—William Howland and A. T. Galt tried to get the treaty of 1854 extended, but were unsuccessful. George Brown resigned from the coalition government because he objected to asking the United States for a renewal of a favor.
- 1869.—The Macdonald Government (Conservative), sent Hon. John Rose, Finance Minister, to Washington, to make an offer of complete reciprocity. This offer which included assimilation of customs and excess duties, never came to anything.
- 1873.—The Mackenzie Government (Liberal) made George Brown a special commissioner to Washington, his errand, treaty renewal. Brown offered a limited reciprocity in manufactures and an unlimited reciprocity in natural products.
- 1879.—The Macdonald Government, in framing its Customs Act—the "National Policy"—put in a standing offer of reciprocity in natural products with the United States.
- 1887.—In settling our fishery troubles with the United States, Sir Charles Tupper is said to have made an offer of unrestricted reciprocity. Sir Charles explained that it was "an unrestricted offer of reciprocity." Whatever it was, it resulted in nothing.
- 1891.—The Macdonald Government made part of its election campaign on an alleged offer of reciprocity in natural products with the United States. In this campaign Wilfrid Laurier, the Liberal leader, advocated unrestricted reciprocity. Sir John Macdonald won on "the old man, the old flag, and the old policy" cry. After the election the Conservative Government sent Geo. E. Foster to Washington to secure reciprocal relations, but failed.
- 1893.—Liberal Convention made reciprocity part of its programme.
- 1898.—The Laurier Government (Liberal), appointed five members to a Joint

High Commission of ten, which sat six weeks at Quebec and three months and a half at Washington. Canada offered reciprocity in natural products. The United States wanted a treaty that would cover certain manufactures. The Alaskan boundary proved a stumbling-block to both sides and negotiations were called off.

1910.—President Taft sent Commissioners to Canada to discuss trade relations between Canada and the United States.

1911.—Messrs. Fielding and Paterson visited Washington on invitation of President Taft, and a reciprocity arrangement, covering natural products and a few manufactures, was drafted.

SIR WILFRID LAURIER ALWAYS FOR FAIR TRADE.—SPEECH AT COLONIAL CONFERENCE, 1907.

An attempt has been made to make it appear that Sir Wilfrid Laurier speaking as the leader of the Liberal party, definitely declared some years ago that henceforth Canada would have nothing to do with the United States in the matter of freer trade relations.

In support of this contention a statement by Sir Wilfrid Laurier at the Imperial Conference in 1907 has been quoted by Mr. Foster in the Canadian House of Commons. This statement is in these terms:—

"There was at one time wanted reciprocity with them (the United States) but our efforts and our offers were negatived and put aside, and we have said good-bye to that trade, and we have put all our hopes upon the British trade now."

Sir Wilfrid certainly said this; but this was only a portion of what he said. The whole quotation, which is to be found in the official report of the Colonial Conference (page 423) puts a very different complexion upon the matter. Here is what Sir Wilfrid Laurier said:—

"Between the preferential tariff and the general tariff we have now an intermediate tariff. The object of this intermediate tariff is to enter into negotiations with other countries to have trade arrangements with them. It has been supposed that this was to hit our American neighbors. With our American neighbors we should be only too glad to trade on a better footing than at the present time. We are next-door neighbors, and in many things we can be their best market. WE SHOULD BE GLAD TO TRADE WITH THEM, but it never was intended nor thought at the time that this intermediate tariff could apply to the United States. There was at one time wanted reciprocity with them, but our efforts and our offers they negatived and put aside, and we have said good-bye to that trade, and we have put all our hopes upon the British trade now."

This is in perfect accord with the position Sir Wilfrid has taken repeatedly since 1896—that while enlarged trade relations between Canada and the United States were desirable they could not be secured until the United States experienced a change of heart and made overtures to Canada. This is what has now happened.

MR. BORDEN SPURNS HISTORY.

But the fact that both parties have always advocated reciprocity is not sufficient justification in Mr. Borden's mind for Canada accepting reciprocity to-day. Speaking on February 9, 1911, in the House of Commons (p. 3364, unrevised *Hansard*), he said:—

"I do not propose this afternoon to enter into a consideration of the advantages which may have come to this country during some part of the

operation of the reciprocity treaty of 1854, but I would like to point out to this parliament and to this country that this is 1911, and not 1854, and that it is idle for us to attempt to discuss these proposals from the standpoint of 1854, or even from the standpoint of 1866."

He wanted the question discussed from the standpoint of 1911

From the standpoint of 1911 has there been a demand for reciprocity?

It is a well known fact that when the Premier toured the West in the summer of 1910, he was met almost everywhere with a demand for reciprocity. In fact, this demand was so strong and impressive that *Industrial Canada*, the organ of the Canadian Manufacturers' Association, devoted considerable space to fighting it. One of its articles began:

"An organized effort, appears to be in progress to convince Sir Wilfrid Laurier that free trade is urgently sought by the farmers of Western Canada."

The agitation was followed up by the farmers' delegation, which waited upon Parliament on December 16th, 1910. This delegation was nearly a thousand strong.

Mr. D. W. McConig, President of the Canadian Council of Agriculture, introduced the delegation. He said:

"Right Honourable Sir Wilfrid Laurier, Prime Minister of Canada, and members of the government, I am here as President of the Canadian Council of Agriculture. We have met on this occasion to present to you and to your government some of our views. We have met as a delegation representing the different provinces of the Dominion of Canada. We have in this organization, the Canadian Council of Agriculture, different farmers' organizations throughout the Dominion of Canada. We have representatives here to-day from New Brunswick, Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan and Alberta. I think you will agree with me, sir, that this delegation is something out of the usual line. You have, in the past, no doubt, received many delegations, but, I think I am quite safe in saying that this is the first organized delegation you have ever received from the farmers of the Dominion of Canada."

"Now, as I have mentioned, we have met to present to you some of the requests we have to make of your government. And, as you look upon these delegates here, I would like to mention that they have come together to-day at great expense and, in many cases, at great inconvenience to themselves. But we feel justified in incurring this expense and undergoing this inconvenience in order to show you, sir, that we are in earnest in our requests."

The memorial presented by the farmers relating to reciprocity was as follows:—

This delegation, representative of the agricultural interests of Canada desire to approach you upon the question of the bearing of the Canadian customs tariff.

We come asking no favours at your hands. We bear with us no feeling of antipathy towards any other line of industrial life. We welcome within the limits of Canada's broad domain, every legitimate form of industrial enterprise, but, in view of the fact that the further progress and development of the agricultural industry is of such vital importance to the general welfare of the state, that all other Canadian industries are so dependent upon its success, that its constant condition

forms the great barometer of trade, we consider its operations should no longer be hampered by tariff restrictions.

And in view of the favourable approaches already made through President Taft and the American Government looking towards more friendly trade relations between Canada and the United States this memorial takes form as follows:

1. That we strongly favour reciprocal free trade between Canada and the United States in all horticultural, agricultural and animal products, spraying materials, fertilizers, illuminating, fuel and lubricating oils, cement, fish and lumber.

2. Reciprocal free trade between the two countries in all agricultural implements, machinery, vehicles and parts of these; and, in the event of a favourable arrangement being reached, it be carried into effect through the independent action of the respective governments, rather than by the hard and fast requirements of a treaty.

Mr. J. W. Scallion, Honorary President of the Manitoba Grain Growers' Association, said:—

"Our protective tariff is felt to be a great burden upon the agricultural industry of Canada, and upon the great body of consumers of protected commodities. When the Tariff Commission held meetings of inquiry throughout the country, some five years ago, the farmers made their position on the tariff very clear; they wanted no protection for their own industry and strongly urged that the tariffs be reduced to a revenue basis. They hold that opinion to-day; more strongly, if possible, than they did then. They are willing to meet the requirements of a tax framed to cover the public expenditure of the Dominion, the proceeds of which, less cost of collection, will go wholly into the public treasury. But they strongly protest against the further continuance of a tariff which taxes them for the special benefit of private interests. They say that this is wrong in principle, unjust and oppressive in its operation, and nothing short of a system of legalized robbery. Prices for the produce of the farm are fixed in the markets of the world by supply and demand, and free competition; when these products are exported, and the export price fixes the price for home consumption, while the supplies for the farm are purchased in a restricted market where prices are fixed by combinations or manufacturers and other business interests operating under the shelter of our protective tariff. Such a fiscal system is manifestly unjust and should be abolished.

"It is claimed by the advocates of protection that the system furnishes a home market at good prices for the produce of the farm and, therefore, is a compensation to farmers for having to pay higher for their supplies. But when it is considered that during the fiscal year ending 31st March last, markets had to be found in foreign countries for \$115,000,000 worth of the produce of our farms, including animals and their products, and that our exports of such products will largely increase as time goes on, for our great West is only beginning to show its capabilities for the production of hundreds of millions of bushels of grain and hundreds of thousands of live stock and other produce, and that the export price fixes the price for home consumption, the argument of a home market can only be regarded as a joke."

Regarding reciprocity, Mr. Scallion said:—

"No trade arrangements which the Canadian Government could enter into with any country would meet with greater favor or stronger support

"from the farmers of this country, than a wide measure of reciprocal trade
"with the United States. Such a trade arrangement, including manufactured
"articles and the natural products of both countries would give the producer
"a wider and more profitable market in which to sell a great deal of their
"produce and a cheaper market in which to buy a large quantity of their
"supplies. This statement can be verified by a comparison of prices in both
"countries, for years. The prices of grain, live stock and dairy produce under
"normal conditions, are much higher in the States than on this side of the
"line. The importance of an extension of our trade with the United States
"has been recognized time and again by our statesman, who, on several oc-
"casions endeavored to secure a wider measure of reciprocal trade with that
"country. Until quite recently the United States government was not favor-
"able to the extension of freer trade relations with other countries. That
"policy did not apply to Canada particularly, as some of our opponents of re-
"ciprocity would have us believe, but was the policy of the United States
"towards all nations. A political party, pledged to a high tariff has held
"power in the United States almost continuously since the civil war, when
"the high tariff was adopted for the purpose of meeting that war debt and
"the powerful corporate and private interests which came into existence and
"developed under that tariff, and because of it, have continued to exercise
"such control over public men and legislation in that country as to be able
"to prevent any successful attempts to lower the tariff or enter into freer
"trade relations with other countries. But a change has taken place in public
"opinion in the United States. The President has asked our government to
"enter into negotiations for the purpose of bringing about freer trade rela-
"tions between the two countries. This action of the President has been
"backed up by the people of the United States in the recent elections in that
"country. Negotiations between the two governments looking to the exten-
"sion of trade between the two countries, have begun.

"The delegation, representing the agricultural interests of Canada,
"strongly urge our government to meet the United States half way and secure
"as large a measure of reciprocal trade in manufactured articles and the
"natural products of both countries, as possible. Farmers are aware that a
"general lowering of our protective tariff and reciprocity with the United
"States will be strongly opposed by the united strength of the protected in-
"terests which have grown wealthy and powerful under our protective
"system. Already their special pleaders among the public press, and in
"public life, are pointing out the dangers to Canadian interests and to British
"connection, of a treaty of reciprocity with the United States. Our ship-
"ping interests will be ruined, our great transportation systems will be de-
"stroyed, the quality of our grain will be lowered, in fact general ruin will
"overtake us, all of which, of course, is very alarming to those people, but
"which only exist and is conjured up in the imagination of the pleaders for
"special privileges. These pleaders have no warrant for such statements.
"This is clearly shown from the fact that our trade with the United States
"for the last fiscal year amounted to about \$350,000,000, nearly equal to our
"trade with all the other countries combined. Is not that a valuable trade
"and of great mutual benefit to both countries? Are there any apparent
"dangers to the general interests of Canada from that trade? And if not,
"why should its extension be not regarded as a great benefit to both coun-
"tries? We have made trade arrangement with France, with Germany,
"and other smaller countries, which is all very well as far as it goes. We
"have subsidized transportation companies to promote such trade. Then why
"should we not endeavor to enlarge our trade with the 90,000,000 of people
"right at our own door who afford us the greatest market of any country in

"the world—a market that will grow as the population of that country increases?"

"It is stated that in entering into reciprocal trade with the United States, vested rights must be protected, meaning, of course, the rights of our protected manufacturers, but when the policy of protection was adopted by the Canadian people it was with the understanding that as soon as the protected interests had time to develop and become firmly established, protection would be withdrawn and the people relieved from further taxation for the benefit of private interests. We think that protection should have been removed years ago, and we think that now, in the framing of a fiscal system intended to do justice to every interest in the matter of taxation, that so called vested rights founded and developed upon a system of unfair and unjust legal exactions from the great body of the people, should be given no consideration whatever.

"We are in favor of an increase to 50 per cent. of the British preference on all imports from Britain and favor a further increase from time to time until the duty on British imports is entirely abolished."

D. W. Warner, one of the directors of the United Farmers of Alberta, and a member of the Canadian Council of Agriculture, said in part:—

"Before taking up the subject committed to me, I wish to say that we have listened to the papers that have been prepared very carefully, and we know that they carry weight; we know there is argument in them. But I want to bring to your attention some of the difficulties of the very foundation of agriculture the world over—not alone in Canada, but the world over—the rearing of a profitable market for the live stock produced on our lands.

"Our prairie provinces, on account of the facility with which food can be produced and the salubrious character of the climate, is exceedingly well adapted for the production of food-producing animals. Yet, on account of the inadequacy of the system of marketing stock, and notwithstanding the fact that consumers in the large centres of population have to pay very high prices for meat, the returns to cattle raising are so discouraging that increasing numbers of them are going out of this business to an alarming extent. The old cheap method of raising cattle on large ranches is rapidly disappearing; in the near future the only source of supply will be the farms, and under present conditions the farmer cannot possibly raise the number of cattle needed for the home and export trade with any reasonable profit to himself. Thus, one of the greatest sources of our agricultural wealth is being destroyed instead of being developed. We wish to impress on you the necessity of a profitable, economical and permanent market for our meat products."

The resolution of the Canadian Council of Agriculture also presented a memorial regarding the meat industry. One of the recitals of this memorandum is as follows:—

"Whereas the farmers are, on account of the unsatisfactory market going out of the meat producing business, and will not again take it up until the market is placed on a stable basis, and further that under the present system of exporting there is always a danger of the markets of the world being closed to us, which would result in ruin to many."

Mr. E. C. Drury, Western Ontario, Secretary of the Canadian Council of Agriculture, said in part:—

"There can be no questioning the fact that agriculture is not prosper-

"ing in Canada as it should at the present time. It is customary in certain quarters to refer to the lack of intelligence and enterprise among the farmers themselves as the cause of this condition. This, however, is not entirely in accord with the facts. No class in the country has shown itself more thrifty or industrious, more willing to take advantage of every opportunity to learn and apply improved methods, or more ready to adapt itself to changed conditions. The simple facts must be faced that, in spite of these things, agriculture has failed to hold its own. Agricultural population has steadily decreased for the last thirty years in every province east of Manitoba, while even in the western provinces, town population has increased at a faster rate than that of the farms. It is useless to point to the settling of the West as the cause of the eastern decrease. That has no doubt been contributory, but cannot account for the greater part of the decrease. It is equally useless to suggest the use of improved machinery as a possible cause. That largely explains rural depopulation under such conditions as prevail in England where agriculture was fully developed before the introduction of labor-saving machinery and where every piece of improved machinery displaced human labor on the farms. In Canada the case is entirely different. Simultaneously with the introduction of improved machinery has come the specialization of agriculture, calling for more men in the dairy, fruit and mixed farming even with improved machinery than were ever required under the old conditions of grain farming. We must attribute these movements of population, disastrous as they must prove to our national well-being, to the effect of a tariff which encourages city industries at the expense of agriculture.

"In asking that every means consistent with our national honor be taken to secure free trade with our southern neighbor in agricultural products and implements, we believe we are not unjust to our manufacturers of implements. The greater competition in farm implements, and the wider markets in farm products, must prove of the greatest advantage to our farmers, both east and west."

Col. Fraser, Brant County, Ontario, read a paper, in part, as follows:—

"I have the honor to reside in the western portion of Ontario that is noted for its varied production of agriculture, such as grain of all kinds, potatoes, turnips, horses, cattle, sheep and lambs, hogs, butter, cheese and eggs. And situated as we are, surrounded on three sides by United States territory, with its large cities directly on or near our borders with a large consuming population of the products I have named, the advantages of reciprocal trade relations with the United States are so apparent that it is almost needless on my part to make any statement to that effect.

"The price of the articles I have named being, with few exceptions, at all times in excess of the prices prevailing on our side of the line.

"Treating on the question of turnips, I have frequently seen paid in customs and freight dues nearly four dollars for every dollar paid the producer. This is only one of the many like instances I could enumerate. It is no wonder then that the farming interests in my district are depressed; that the bailiff's business is largely on the increase; that merchants are unable to collect their bills and that the general conditions of the farmer call loudly and piteously for a change. The conditions as outlined in the contemplated changes of the tariff, would, I believe, largely eliminate the existing conditions and place on a sound foundation our agricultural interests, on whose prosperity the condition of all classes so much depends.

"Our large immigration which we are at present enjoying, with the en-

"ormous influx of capital which accompanies it, together with the vast expenditure of moneys on public works by Dominion, Provincial and Municipal, prevents for the time being these conditions being fully felt, but let a period of depression occur, which is not only possible, but probable, and a condition of affairs will soon result which will be appalling.

"We have nothing but the kindest of feelings for our manufacturers, but we fully realize that a policy that has robbed our province of 100,000 of its rural population in 25 years makes the situation so grave that relief must come and come speedily ere it is too late and we have forever destroyed a yeomanry, the finest that history, either ancient or modern, has ever known.

"I will say no more, lengthy discussions will do no good; the facts are so apparent that a child of tender years understands the situation. How much more then must it appeal to you as intelligent men?

"I therefore trust you will, if possible, avail yourselves of the opportunities afforded by the contemplated offer which is likely to be afforded you."

Thomas McMillan, Western Ontario, a member of the Executive of the Dominion Grange, and member of the Canadian Council of Agriculture, said, in part:—

"When we are face to face with conditions such as those, when we see the sturdy yeomanry of Ontario gradually deserting the farm, when we know that the greatest misfortune which can befall any country is to have its people huddled together in great centres of population, and that the bearing of this present customs tariff has the tendency to encourage that condition, is it not the bounden duty of the government to endeavor to make all the conditions surrounding agriculture, as favorable as they possibly can?

"In endorsing the prayer of that petition, we believe that if a favorable reciprocal trade arrangement can be obtained with the government of the United States, whereby animals and their products as well as all agricultural products would be allowed free access to those great consuming centres, it would certainly give a great impetus to the agricultural industry. The progressive farmer of to-day must be a manufacturer of high class products, such as highly finished live stock of all kinds, beef, bacon, mutton, poultry, eggs and cream, butter and cheese.

"Study the American live stock markets and we find that the best beef animals, as a general rule, sell from at least \$1.00 to \$1.50 per cwt. more than our prices in Toronto. None of that high class beef is shipped abroad. It is all consumed by the wealthier classes at home. Ontario farmers are able to compete with the world in the production of high-class beef, and if we could obtain access to that great market we would be able to enter the best market of the world, which lies at our very door. We would not then be, as we are now, practically shut out of our markets for six months of the year, by the long overland railway journey, which precedes the ocean voyage to the British market. In short, it would do more for the beef cattle industry in Ontario than all the government enactments of a generation. In other products I have named, speaking generally (with the exception of live hogs which often rule about the same) prices are invariably higher than in our Canadian markets. Prominent men, in their ignorance of the real requirements of an advancing agriculture have described these articles, as 'the minor products' of the farm, but, gentlemen, I want to impress upon

"you the fact that these productions constitute the very right arm of a permanently successful agriculture."

Mr. J. E. Johnston, of Ontario, read a paper, in part, as follows:—

"In supporting the unanimous opinion of this delegation in favor of reciprocity with the United States in all agricultural produce, I may offer a few explanations as to how it would affect the interests of our Canadian fruit growers and particularly our growers of apples. The district I represent is yearly becoming more largely engaged in orcharding. In this, as in many other sections of Canada, the apple business is being rapidly improved by co-operation of the growers in the care of their orchards and the marketing of their fruit; the recognized superior quality of our fruit guarantees that with expert methods we can more than hold our own in open market. In the County of Norfolk we have a co-operative association engaged in the handling of apples. This association was organized five years ago and in 1910, even with the short crop, it sold nine times the quantity of fruit handled in the first year it was organized. The prospects for further development of the apple business in Ontario, under the co-operative system, are very bright indeed.

"But while the business of apple-growing is profitable to-day its extension would be promoted by the opening of wider markets. The Republic to the south with a population of ninety millions or so and a rapidly growing demand for all kinds of food products would be an excellent additional market for our fruit. Even in the face of the duty prevailing, the shipments from our association this past year to the United States were 6,000 barrels, while 25,000 barrels went to the Northwest, and 5,000 barrels to England and Scotland. Had there been free trade in apples we would have been able to sell our whole crop 50 cents a barrel better than we did. There are varieties of apples, such as Greenings, Belleflower, and Tolman Sweet which are not wanted at all in the Northwest, but are readily taken at a good price in the United States. Apart from this there are localities in Canada which could import American fruit to advantage, and many sections in the United States which could use our fruit to even greater advantage. In years of scarcity the Canadian West would like to draw upon the Pacific Coast fruit more largely than it does, while in seasons of heavy production we would be greatly benefited by an additional market. This illustrates the advantage of reciprocity.

At present the Canadian apple-grower is discriminated against. The United States tariff on apples is 75 cents a barrel, while American apple-growers shipping into Canada have to pay only 40 cents a barrel duty. This is unfair and I respectfully ask, on behalf of Canadian fruit-growers, that you, as representatives of the Canadian people, will endeavor in any reciprocal trade negotiations to have the American fruit tariff lowered to at least the same figure as the Canadian tariff. Further than this, we would welcome and request a complete withdrawal of all duties on apples entering either country. Reciprocity in apples would benefit consumer and producer alike."

Mr. W. B. Fawcett, of New Brunswick, read a paper, in part, as follows:—

"I only wish to add a word for New Brunswick, and to say, if a treaty can be obtained that will give our natural products free access to the American markets, it will immensely benefit our chief industry, agriculture, as well as several others, scarcely less important to our province.

"Farm production with us in most lines has made serious losses for many years past, especially in live stock. The value of our improved farms

"has generally decreased. Even the best dyke lands in my own county
"are worth less than formerly. And our provincial government is expending
"considerable money in attempts to re-people our abandoned farms with
"British immigrants. But the abandonment of other farms goes on just the
"same.

"The feeling is becoming very general that the protective tariff in force
"now, as well as in the past, is largely responsible for this retrogression.

"Under such a tariff manufacturers are not only enabled to outbid
"farmers in the matter of hired labor, but to impose unreasonable prices on
"practically everything required to operate a farm.

"Our soil and climate favor the extensive and profitable growing of
"fruit, and nearly every farm crop common to Canada. Even under the ad-
"verse conditions so long existing, we are producing a considerable surplus
"of potatoes, turnips, hay and dairy products, and our farmers would receive
"a direct and immediate benefit from reciprocity.

"To illustrate briefly, I might mention myself; and say, that free access to
"the American market with my own hay crop, would make me a net gain an-
"nually of \$360; and on my strawberry crop, \$200, counting only one-half
"the duty imposed by the United States tariff, and I am only one of many."
Mr. S. C. Parker, of Nova Scotia, read a paper, in part, as follows:—

"I have the honor to speak for the fruit-growing interests of Nova Scotia.
"Our industry is rapidly growing, with increasing production we see the im-
"portance of as wide a distribution as possible. We are convinced that a
"fair measure of reciprocal trade with our neighbor at the south would be of
"immense advantage for all our horticultural interests."

MANUFACTURERS IMPRESSED.

And just here it should be pointed out that the Canadian Manufacturers' Association was so impressed with the public demand for reciprocity that it organized a large delegation to present to the Government a memorial against it. This memorial was presented on January 13th, 1911. It devoted most of its attention to protesting against reciprocity in manufactured articles because that is the kind of reciprocity it feared.

One has but to read this memorial and then listen to a Conservative speech against reciprocity, to see where the Conservative party looks for its arguments.

SASKATCHEWAN LEGISLATURE.

Finally, as an evidence of the demand for reciprocity, it may be pointed out that the Legislature of Saskatchewan unanimously passed a resolution in favor of it. Resolutions of Legislatures on such subjects are of no significance when passed purely by a party vote, but all the Conservatives in the Saskatchewan Legislature joined with the Liberals on March 14th, in passing the following resolution:—

"That this House is of opinion that the proposed reciprocal trade ar-
"rangement between Canada and the United States will be of benefit to the
"people of Saskatchewan;

"That while expressing this opinion, this House is nevertheless of the
"opinion that the proposed arrangement does not fully meet the desires of
"the people of Saskatchewan with regard to general tariff reduction;

"That this House also desires to express itself as strongly in favor of a Canadian trade policy looking to an ultimate increase of the British Preference and an ultimate establishment of free trade within the Empire;

"Also that in the opinion of this House the said agreement, by its promotion of the prosperity and development of Canada, will thereby greatly strengthen Canada's power for Imperial defence, and thus directly assist the British Empire;

"And further, that in the opinion of this House the duties on agricultural implements should at an early date be further reduced, if not abrogated."

The resolution was strongly supported by Mr. Haultain, Conservative leader in the Legislature. Many efforts have been made by the Opposition to get Mr. Haultain to recant, but he has refused to do so, and still stands as a champion of reciprocity. The whip of the high protectionists which made many other Conservatives recant, and thus stultify themselves, has no terrors for him.

THE PROTEST OF EIGHTEEN TORONTO LIBERALS.

Much fuss has been made of the declaration of eighteen Toronto Liberals against reciprocity. The farmer has but to read Section 7 of this resolution to understand what kind of a tariff these men want and why they consider reciprocity bad. Section 7 is as follows:—

"7. Because to avoid such disruption Canada would be forced to extend the scope of the agreement so as to include manufactures and other things."

Below are the names and occupations of the eighteen Toronto Liberals who signed this declaration:—

Sir Edmund Walker, President Canadian Bank of Commerce.

John L. Blaikie, President Canada Land and National Investment Company.

W. D. Matthews, grain dealer, director of the Canadian Pacific Railway.

W. K. George, managing director Standard Silver Company, Limited.

Z. A. Lash, K.C.

W. T. White, Vice-President and General Manager National Trust Company.

G. T. Somers, President Sterling Bank of Canada, and Ontario Securities Company, Limited.

Robt. S. Gourlay, President Board of Trade, Gourlay, Winter & Leeming, Piano Manufacturers.

Sir Mortimer Clark, of Clark, Gray & Baird, Barristers, ex-Lieutenant-Governor of Ontario.

R. J. Christie, President Christie, Brown & Company, Limited.

H. Blain, Vice-President Eby, Blain & Company.

H. S. Strathy, Director Traders Bank.

L. Goldman, Managing Director North American Life Assurance Company.

Geo. A. Somerville, Manager Manufacturers Life Insurance Company.

W. Francis, Francis & Wardrop, Barristers.

James D. Allan, Vice-President A. A. Allan & Company, Limited.

E. R. Wood, Vice-President and Managing Director Central Canada Loan & Savings Company.

John C. Eaton, President the T. Eaton Company, Limited.

VOTE FOR YOUR OWN INTERESTS.

If in the municipality of Toronto eighteen rich Liberals may desert their party because an agreement has been arrived at between the Government of Canada and the Government of the United States on reciprocity between the two countries in natural products, surely eighteen Conservatives in each polling district may leave their party and vote for their own interests, by supporting reciprocity.

Reciprocity a Good Thing.

The View of Conservative Papers When Announcement of Agreement Was Made.

Even when the Reciprocity arrangement was announced the Conservatives were not afraid of it. Many of their newspapers heralded it as a good thing.

Toronto News, January 27, 1911:—

"It amounts practically to Free Trade in natural products between Canada and the United States. It means a second market for Canadian farmers. It means that the prices of Canadian products will be determined by the American market. It means, if expectations are realized, that Canadian farmers at certain seasons will receive better prices for at least a part of what they produce.

"It is not so certain that there will be any such average increase in agricultural prices as has been predicted, but that access to the American market for some of our products will mean higher prices for the producers is a reasonable expectation. It is important to face the facts fairly and to admit the full force of the arguments by which many farmers are influenced.

"It is likely that Buffalo will become the distributing centre for a considerable tract of country which hitherto has been served by Toronto, and that Canadian border communities will be similarly affected. These reasons will not prevail with the farmers generally, nor would they prevail with any other class of the community under similar conditions. The agreement will be influential with certain elements in all the provinces. The West will welcome a free American market for wheat and oats. Undoubtedly the farmers of Ontario desire the removal of American customs duties on live stock, dairy produce, vegetables, eggs and other articles covered by the agreement. Quebec will be interested in a free market for hay, vegetables and dairy products. Free fish will be a strong attraction to the Maritime Provinces. Unquestionably, therefore, the arrangement will command strong support from Canadian producers, and, as has been said, nothing else could be expected. * * * * It is not to be expected, however, that Canadian lumbermen will object, for at least they secure equality of treatment, which they do not enjoy under existing conditions. * * * * It has to be admitted that the Washington Administration as a means of relief from serious political embarrassment has conceded more to Canada than we have yielded to the neighboring country. This is not saying so much, however, when we remember that Washington has maintained duties on Canadian products twice as high as those maintained by Canada on American products. * * * Under all the circumstances, however, the 'News' recognizes that Washington has offered terms which it is difficult for Canada to reject, although we frankly regret that our trade is to be turned into American rather than into Imperial channels and that Canadian raw material must be sacrificed and some important Canadian enterprises prejudiced by an agreement which, whatever its advantages, may have results in the long future far more vital to the national life and our Imperial connection than we can now foresee."

Even the Toronto News on January 29, after forty-eight hours' consideration, said:—

"It must be generally admitted that in its Reciprocity agreement with Washington the Ottawa government has kept the Prime Minister's promise "to maintain the protection which the tariff affords the manufacturers of Canada. The duties on most manufactures are left as they were and the "reduction made on a very limited list of finished articles does not exceed "from 2½ to 5 per cent."

The Winnipeg Telegram was displeased only because it did not go far enough. On January 27, it said:

"Considering the scope of the tariff changes embodied in the Reciprocity agreement reached at Washington, there is not likely to be any wild outburst of resentment or ecstasy in any part of the Dominion * * * a "close scrutiny of the reciprocal arrangement arrived at reveals no semblance "of fiscal convulsion or of serious fiscal disturbance. * * * The tariff "changes will, as a matter of course, prove irritating to some carefully "selected interests and it will appear at the same time to hold out some measure of relief to the consumer, but it is a question if in the final analysis "the over-protected industry will lose any of its affluence the overburdened consumer any of his burden.

"The sentiment of Western Canada has still to be reckoned with. Western Canada draws no substantial benefit from the reciprocal arrangement and "Western Canada will not accept the sham delusions of this Washington "understanding as full or even partial settlement of its demands for a "genuine tariff revision."

The Ottawa Journal at first hailed it with enthusiasm. On January 27, 1911, it said:—

"Beyond reasonable doubt Mr. Fielding has succeeded in getting a "Reciprocity agreement with the United States Executive very desirable "from a Canadian point of view. * * * If Congress accepts it, an excellent "thing, we think, will have been accomplished for this country."

On January 28, 1911, the Ottawa Journal went further and said:

"For more than half a century it has been the desire and effort of "Canada to have an agreement with the United States such as that which "has just been negotiated by Mr. Fielding. The Liberal leaders have "often gone further; the Conservative leaders never came to any idea of "giving less. * * * The only reason why people on this side ceased to "bother about it was that nobody thought any possibility existed of our "getting it."

On February 1, 1911, in spite of the Montreal Star's cry of weakened British connection and ultimate national annihilation, the Ottawa Journal could see nothing regrettable in the arrangements. It said:—

"We have an idea that people who are prosperous are likely to be "contented with their political conditions. If Reciprocity should not happen "to promote the prosperity of Canada it will be because the more advantageous trade with the United States fails to develop from it, in which case "there will certainly be no injury to British connection; if, on the contrary, "it be followed by notable commercial advantage why would our prosperous "condition tend to make us discontented with the Imperial affiliations "under which the prosperity was present. * * * A good many people in "England, and some in this country, for years past have been blathering "about the meanness of 'buying' loyalty with commercial arrangements.

"If commercial arrangements have no bearing upon national affiliations, then no dread need be entertained as to the effect of the present Reciprocity proposition upon our 'loyalty.' But if commercial arrangements do have an effect upon national affiliations, then a lot of little Englanders should have their heads in sackcloth and ashes now."

The Ottawa Citizen, February 1, 1911, said:

"It is obvious that Canadian agricultural interests have been given access to a new market in the United States. * * * * It is a matter for congratulation that the new Reciprocity negotiations have wiped out to a great extent the old time restrictions."

The Vancouver News-Advertiser, January 27, 1911, remarked:

"So far as one can judge by the preliminary statements, the reciprocal trade arrangements at Washington should have the effect of greatly increasing international trade. * * * * As to the general list of manufactures it may be said that it extends the Canadian market to U. S. industries and goes some small way to meet the demands of the Western farmers."

The Edmonton Journal, January 27, 1911, on first view, thus expressed itself:

"It is clear that in some respects much more has been accomplished than was looked for. * * * * The Canadian manufacturing industries had no occasion to be greatly alarmed."

On January 28 it is of the opinion that the proposal does not go far enough:—

"The very slight reductions made in the Canadian duties on agricultural implements, on coal, etc., will give no material relief to our consumers. So far as the commodities that we desire to import are concerned there is no change in our tariff arrangements that any Canadian producer or consumer need either fear or welcome."

On January 30, 1911, the Edmonton Journal said:—

"Sir Wilfrid told the manufacturers some weeks ago that nothing would be done to displease them. The agreement is quite in keeping with this promise. * * * * Canada's own fiscal system remains practically unchanged. * * * * It is of first-rate importance to our producers to be able to ship grain, cattle, potatoes, dairy products, etc., to the American markets."

On February 11, 1911, the Regina Standard grows somewhat humorous over the hysteria of the Montreal Star over the "cunning trap" concealed in the agreement:—

"Sir Hugh Graham's old paper failed at first to find the hidden meaning. But the proprietor of the 'Star' is a millionaire with a tin-pot title. We, however, liked it better the longer we looked at it. The point of view was different. Ours was that of the struggling farmer, his that of the titled man of money. We saw a prospect of better prices for wheat and cattle; he a trap."

By degrees, however, the opinions of the "titled man of money" and his manufacturing friends have been able to influence the unbiased judgment of these Conservative editors.

The Conservatives Gradually Changed Their Views.

Why have the Conservative members of Parliament and the Conservatives made such a right about face in regard to the desirability of markets in general and the United States market in particular, especially as regards Reciprocity in natural products?

The Reciprocity arrangement was announced at the end of January. In February, Boards of Trade, manufacturers, bankers, packers, and various organizations having no knowledge of farming, began denouncing Reciprocity and at the psychological moment the Council of the Canadian Manufacturers' Association passed a resolution against the arrangement. It was as follows:—

"The proposed reciprocal trade agreement between Canada and the United States which the Government has introduced has occasioned no little surprise to the Canadian Manufacturers' Association: first, because there had been no general discussion of a measure so revolutionary in character, and, second, because of the importance which the present Government has hitherto attached to stability of the tariff and their avoidance of any change except after careful investigation by a special tariff commission. Under the circumstances an expression of the Association's opinions seems to be called for.

"In our consideration of the agreement we have endeavored to look upon it as it affects the country as a whole in its possible relation to our future destiny. As manufacturers we have hesitated to express opinions on an agreement which in its present scope does not directly affect very many manufacturing industries, but which deals with a large range of natural and agricultural products. Gladly would we join in support of such an agreement if we felt that the anticipated benefits could be depended upon to follow, and if, in obtaining them, we were sure Canada was not making sacrifices which as a nation she might regret in the years that are to come.

"Recognizing then that an arrangement such as is proposed, while bringing advantages in some cases, will unquestionably work injury in others, we believe that as a whole it is not in the best interests of our country. Our widely scattered territory, with its diversified interests, requires the strengthening of every national tie to build us up as a strong and united people.

"The proposed agreement looks towards dependence upon the markets of the United States rather than towards the expansion of our home market, which for years has demonstrated its ability to consume over 80 per cent. of all the farm produce we raise.

"It would divert a large measure of trade north and south which now goes east and west and west and east between the sister provinces, and so helps to build up United States cities, ports and transportation routes by directing thither the trade now carried through our own channels.

"But apart from all these considerations of wealth or material advantage we feel that the substitution of intercourse with the United States in place of the intercourse which now obtains between our own provinces as well as with the Mother Country and the sister colonies, and placing of ourselves under obligations to the United States in such a way as to prevent free and independent action on our part regarding questions of public policy, mean the beginning of a condition which will end and which the United States will do all possible to extend until our very existence as a separate nation is threatened.

"On this the broadest of all national grounds we feel that it is in the interest of our country as a whole that this measure should not pass, but that we should go on developing our natural resources and expanding our interprovincial trade as we have for the past decade without any entangling tariff agreement with our neighbor in the south."

Reciprocity practically concerns only natural products and there was no occasion for the Manufacturers' Association undertaking to tell the Canadian farmer that it knew better than he did, what was good for him. It was not because of what the arrangement contained that they entered the fight but because of the fear that they entertained that freedom of trade in natural products would prove so satisfactory to the people of Canada that demands would soon follow for an extension of the arrangement.

And the Conservative party ever ready to champion the "interests" against the public promptly responded to the Manufacturers' lash. One has but to read what prominent Conservatives have said in the House of Commons to realize this. For instance, R. L. Borden, March 8, 1911:

I can best answer that question by a quotation with which I will give to my right hon. friend. This is the view, not of farmers in Canada but of "farmers in the United States. It is a reasonable view from the farmers' standpoint, and I think it is much more convincing for the point it makes than anything uttered by my right hon. friend in his long speech of yesterday. I quote from page 241 of the hearing before the committee of Ways and Means in the United States House of Representatives:

"This Bill puts the farmers' subjects on the free list, and taxes the articles in the form in which they are consumed by the consumer. Do you suppose for one single instant, gentlemen, that the farmers of this country who have furnished the money, and are to be furnishing the money, for the best market of our manufacturing interests in this country, do not understand this argument? Do you believe they will ever tamely submit? No, never. * * * We insist that there shall be no free trade for the farmer and high tariff for the manufacturers, but that if farm products go on the free list, manufactured articles must also be made free, and they will, inside of a very short time."

"That argument made by the farmers of the United States is precisely the argument which will be made by the farmers of Canada, and especially by those engaged in every one of the industries which has been injuriously affected by the proposals of the government."

"Well, does the right hon. gentleman imagine for one moment that the farmers of this country are going to have competition with twelve or fourteen countries in the world under a system of free trade in natural products when they are called upon to pay taxes on every manufactured product that comes into the country? Will they be willing to undertake this burden for the benefit of our industries?"

H. B. Ames, February 22, 1911:—

"As far as this particular bargain is concerned don't let us lose sight of the fact that it means the unsettling of established conditions, that it means the loss of our fiscal independence, that it means the ultimate abandonment entirely of the principle of protection for all classes in Canada, that it means the loss of our export identity, and that it means far well to any opportunity for a preference in the British market."

H. B. Ames, February 22, 1911:—

"What is said on the other side of the line is said, in this same strain exactly, by the farmers of this country. Just another instance: by a stroke of the pen salt is made free. There is invested \$1,500,000 by the Windsor Salt Works in western Ontario, a company which has a pay roll of \$60,000 every year. Their salt is now made free, but they still have

"to pay the full duty on their coal, which is their raw material. Do you tell me if the people who have been engaged in that protective industry for years find that protection quietly removed they are going to continue to advocate protection for others? That will be what the farmer would say, and we will have the butter maker, the fruit grower, the vegetable grower, the salt man and a great many others saying:—If there is no protection for me there shall be none for the rest of you. If the outworks are stormed it will not be long until the citadel will come down as well. The Government has been saying to the manufacturers:—Do not disturb yourselves; you will not be affected, but the Government is opening up the stream, the volume of which it will be unable to check after it has once commenced to flow. You have rendered the position of protection illogical. You have made it class legislation. You cannot have free trade for half the community and protection for the other half. You open flood gates that you cannot close, and you will find that if this reciprocity treaty goes through there will be no stopping the flood until the last vestige of protection in Canada is wiped out."

H. B. Ames, February 22, 1911:—

"When we come to count the cost there is another thing that we must take into consideration, and it is that this proposition, if it becomes law, is the inevitable abandonment by Canada of the principle of protection all along the line. There are no two ways about that. Since 1879 we have built this country under protection; we have diversified development and diversified employment. We are making an all-round nation, and we have been committed to it until this time. Now, protection to have any possible defence, any logical defence, must be claimed by all and carried to all classes of the community. You cannot make fish of one and flesh of another. You cannot say to one class of the community:—There is no protection for what you produce, and say to another class of the community: We will maintain the protection on what you produce. If you remove all protection from agriculture and leave no protection whatever for any of the farmers throughout Canada, how long do you suppose the farmers of Canada would be content to allow the manufacturers to have protection if they can have none? How long do you suppose the farmers, whose produce is open to the competition of the whole world, will consent to pay the price of protection for the articles they use?"

Mr. Northrup, Conservative M.P., March 8th, 1911:—

"I warn the Finance Minister that if he is as regardless of his own province as he apparently is of the Dominion, as a whole, the farmers whom he has selected as the particular objects of his animosity who, of all people, are to be deprived of protection, whose markets are to be given not to the United States but to the world, I warn that hon. gentleman that if he really is true to his newly found and oft-professed, although rarely acted-up-to belief in the doctrine of protection, the day is not far distant when the farmers of Ontario will say:—We only bear the duty on coal and iron in consideration of a duty on our products and since that was the direct bargain made in 1878 and renewed since, as you have broken the bargain, and renewed our duties, we will insist that the duty on coal and iron be renewed in order that justice may be done. I, as a protectionist would be exceedingly sorry to see a movement of that kind on the part of the agricultural element of this country."

Mr. Sharpe, M.P., North Ontario, July 25 1911:—

"The unrestricted Reciprocity of 1891 will ultimately come from the

"present agreement if it is carried into effect. The farmers of this country are not going to see their protection swept away, and allow the manufacturers to be in full possession of their protection. If the protection that is now accorded to the farmers is swept away, they will insist upon equal treatment being meted out to the manufacturers. Consequently the policy that is proposed to-day in this Reciprocity pact if carried into effect will inevitably lead to unrestricted Reciprocity, and we think to absorption and annexation to the United States."

Mr. Edwards, M.P., April 20, 1911:—

"If this agreement is ratified the manufacturers see that it must and will logically be followed by a further demand for the removal of duties on manufacturers' articles as well, there is no getting around that."

A Conservative newspaper view, Toronto Telegram:—

"Farmers as Loyalists."

"Canadian manufacturers are informed of Sir Wilfrid Laurier's reluctance to believe that they will oppose reciprocity."

"Reciprocity only means that the Canadian farmer will be invited to accept free trade in regard to everything he has to sell and to uphold protection in regard to everything he has to buy."

"Are the Canadian manufacturers simple enough to believe that Reciprocity can exclude the farmers from the **Benefits** of Protection without destroying the willingness of the farmers to carry the **Burdens** of Protection? Canadian manufacturers who imagine that, per Reciprocity, they can put the farmers on a free trade basis and remain on a protectionist basis themselves are as destitute of 'economic understanding' as Sir Wilfrid Laurier is, and that is saying a good deal."

The Thin Edge of The Wedge.

The argument which stampeded the manufacturers was the old, old bogey of the thin end of the wedge. Manufacturers were told that if they did not demonstrate their ability to overthrow any Government which would undertake to lower the tariff in any degree, they would be faced with certainty of serious tariff reductions, which, in the course of a few years, would make Canada a free-trade nation. "It is of no avail to say," declared the Toronto News, which was one of the prime fomentors of the agitation, "that the manufacturers and workmen of older Canada are unaffected by the trade agreement with Washington. They are not fools, to be fattened upon theories. They know that once free trade in natural products is established, there will be an irresistible demand for free trade in manufacturers." Influenced by these appeals, the Canadian manufacturers—that is, of course, the great majority; there is a dissenting minority—through their official organizations, have declared war to the death against the Government and its Reciprocity agreement. The sacred wall of high taxation must not be diminished by a single brick. Indeed, there are demands from certain quarters, notably the "Canadian Century" of Montreal, a newspaper which represents the special interests, for increased taxation. The Toronto News, paraphrasing, for the purposes of a cartoon, the incident of the "little hero of Haarlem," represents Mr. Borden, with his thumb in the tariff wall, blocking the first trickle of trade from the outside. The manufacturers and the Conservatives have joined hands in a whole-hearted campaign in support of protectionism in its starkest form.

The people of Canada are notified by the interests that they must safeguard high taxation, not only to-day, but for all time to come. A large and substantial benefit to the farmers of Canada is to be refused, not because the protected interests will be injured to-day, but because they may possibly be injured ten or twenty years hence. Surely this is carrying protectionist doctrine very far. The farmers of Canada are asking for no special privilege. So far as their products are concerned, if this agreement is ratified there is to be simply freedom—freedom to the farmer to sell, freedom to the farmer's customer to buy where he pleases. There is practically no interference with the protection now enjoyed by the Canadian manufacturer. Surely if the farmer is satisfied with this arrangement, others have no ground of complaint. Surely he ought not to be asked to give up the opportunity which now presents itself of access to a market of ninety million people, in order that the privileges accorded to another class of the community may be enjoyed forever.

Light On The Situation.

The Toronto correspondent of the London Times throws light into the dark places and mysteries of this curious political situation in which the people of Canada find themselves. The despatches originated at the very head centre of the movement against the arrangement, and they are marked by a candor which is most enlightening. As to the origin of this brisk, not to say furious, crusade against the Reciprocity proposition, let us quote from a recent Toronto despatch to the Times:—

"The country was stunned momentarily by the wide scope of the agreement actually effected. The Canadian Government seemed to have materially strengthened its position. The Opposition suddenly faced a situation for which it was wholly unprepared and a confusion of voices in its own ranks, which seemed to make common action either for or against the Agreement impossible. The immediate impression was that the arrangement could not be successfully resisted and that the Government had captured the farmers' organizations without alienating the protected interests. But a deeper reading of the Agreement revealed its revolutionary character and its dangerous tendencies. It was in the Press rather than amongst politicians that the agitation against the Compact began.

"The manufacturers are practically united against the policy. They believe that free trade with the United States in farm products must be followed by a formidable movement for free trade in manufactures. Whatever may be the value of the protection the farmers have hitherto had and whatever the value of the home market, it is reasoned that they will begrudge protection to the manufacturer when they have been deprived of duties in favor of their own products. With the manufacturers are ranged the great transportation interests—the fruit-growers of Ontario and British Columbia, the vegetable growers and farmers surrounding the centres of population."

Further the despatch in the Times gives the clue to the elucidation of a recent political happening which has mystified the public. Why at this particular juncture, should the old feud in the Conservative party over the leadership break out afresh? The time is most inopportune. For the Conservatives to

make extensive changes in policy and in leadership at this moment in the presence of a watchful and militant enemy, visibly girding on its armor, would be to invite battle under very disadvantageous conditions. Marmont, at Salamanca, undertook to change his battle front before the eyes of Wellington, and in an incredibly short space of time his army was crushed and scattered under the shattering onset of the British charge. Such might well be the fate of the Canadian Conservatives if they essayed similar tactics. What dire necessity drove them to the risk of such a disaster?

We have the admission of the London Times correspondent that when the reciprocity agreement was announced there were confused opinions in the Conservative camp. This is a matter of common knowledge. Press despatches reported applause from the Conservative ranks as Fielding enfolded the terms of the agreement; and Western Conservatives were credited, on the same authority, with having declared that this was what they had been fighting for for years. The fact is, as is admitted by the Times correspondent, that the movement against reciprocity did not originate in the official Conservative party. It sprang up over night in Toronto and Montreal; powerful influences joined themselves to it; and within a few days an agitation was under way which, viewed from within, doubtless seemed irresistible. Since the Government could only be fought politically, the anti-reciprocity influences sought to make the Conservative party their parliamentary agents. Here is where the trouble began. Mr. Borden, while ready to oppose the agreement, was too slow in the up-take to suit the powers behind the propaganda. He was not ready, apparently, to father their arguments or to accept their tactics. Their known intention to have the opposition block all parliamentary business and thus force an election probably did not appeal to him. Obligated to take stock of party feeling and public opinion, not only in Toronto and Montreal, but in every province of the Dominion, he had none of the confidence, so passionately avowed by the promoters of the enterprise, that, given an election, the Government would be beaten. Whatever the reasons, it is pretty plain that Mr. Borden showed a marked disinclination to take the extreme courses mapped out for him, with the result that the parties on the job, in an access of exasperation, decided to depose him and replace him with one more in favor of a policy of Thorough. Hence, the "leadership" crisis with its inconsequential finale.

It was found, however, for the fourth time, that Mr. Borden, despite his very obvious limitations, is the only possible leader of the Conservative party, and he remains in charge with the sullen consent of the mutineers.

Campaign Against Reciprocity -The Methods Adopted to Prevent the Farmer Securing the American Market.

Those opposed to Reciprocity not only spoke against it, but immediately organized a gigantic campaign to destroy it. The chief feature of this campaign was its vast expenditure of money for the purpose of buying public opinion. The campaign was a most unscrupulous one. It is still fresh in the memory of the public that it was announced that because of Reciprocity the Oliver Plow Works would not build their proposed million dollar factory at Hamilton.

And this story was kept in circulation till Mr. Joseph Oliver, President of the Company, wired the following statement:—

"The Oliver Chilled Plow Works have not given orders to stop operations in Hamilton. We will continue to push on the work in Hamilton until the plans we originally announced about eight months ago have been completed, and until additional buildings which will greatly increase the Canadian plant over what was originally intended have also been completed."

An anti-Reciprocity meeting was held in Hamilton in February and a resolution was passed at the meeting nominally proposed and seconded by Messrs. Robert Hobson and F. J. Howell, two Liberals. Yet neither of these gentlemen was present at the meeting and neither authorized the use of his name.

The following statements were published in connection with this matter by the Hamilton Times, February 23, 1911:—

"Mr. Robert Hobson, on being interviewed this morning in reference to the resolution respecting Reciprocity which was passed at the meeting in Association Hall on Tuesday night, stated that he had not prepared the resolution, and did not know what it contained until he read it in the Times last night.

"Mr. Hoodless called Mr. Hobson up by telephone on Monday evening and asked him to attend the meeting and move a resolution in reference to Reciprocity. Mr. Hobson said that he did not expect to be able to be present at the meeting, and even if he were there he would not consent to move any resolution until he saw what it contained.

"Mr. Hobson was very much surprised at Mr. Hoodless' remarks, and while he has very decided views on the matter of Reciprocity, he would very much prefer to express them himself.

"Mr. F. J. Howell was also interviewed. He was very emphatic in his statement. He said:—

"Mr. Hoodless telephoned me on the morning of Tuesday and said 'he understood I was opposed to the proposed Reciprocity measure, and I replied that I was not in favour of it; that I believed it would be better to allow the present status of business between the two countries to remain undisturbed. Mr. Hoodless then asked me if I would move a resolution to that effect at the meeting in Association Hall that night. I replied that I would not be able to attend the meeting; that I would not move any resolution without knowing exactly what it contained; that, in fact, I did not care to move any resolution, and that he had better get some one else to do it.

"I was not at the meeting,' continued Mr. Howell, 'and no one had any authority to use my name. I was greatly surprised when I read, in the morning papers, what had taken place. It was entirely against my expressed desire.'

"Do you agree that all that the resolution falsely moved in your name contains? the Times asked. 'No, I am not. I would not think of moving such a resolution. As I said I am not in favour of the Reciprocity measure because I am a firm believer in British trade connections, which the Laurier Government has done so much to build up. I do not want to see those connections in any way disturbed.'"

The effort to buy up public opinion was announced through the insertion of violent anti-Reciprocity matter in newspapers as paid advertisements. Light is thrown upon this by the following from the Calgary Albertan of February 14:—

Buying Up Public Opinion.

"The Albertan received an interesting letter from a Montreal advertising firm instructing us to run as an advertisement a page of editorial 'stuff from 'The Montreal Star' of the hysterical order, such as has been published in Eastern Canada upon the Reciprocity question, for which they would pay us a certain amount.

"Of course there are to be no 'advertising marks,' continues the 'Advertising firm.

"The writer continues: 'It seems that a few men, who are very much interested in this question, have formed a little pool to give this matter wider publicity. * * * * So far we are authorized to put out only this one page, but we are hoping there will be more copy of this character from the same source.'

"This is a plain attempt on the part of the interests in Montreal to buy up public opinion in Western Canada. If it is not a corrupt effort to influence public opinion, it is as near to it as can possibly be. The Albertan has no objection to legitimate advertising, from any political party, such as notices of meetings, or even addresses of candidates; but it does not care to sell itself in this way, or be a party at so much expense to distribute hysterical literature of this kind to mislead and bewilder the people.

"That is not legitimate and it is not honest."

The Canadian Century, like the Montreal Star, published a series of anti-Reciprocity articles. This paper has a very small circulation, and such articles would thus not reach many people. However, the men behind the scheme, who wanted to retain their privileges, planned a more ambitious campaign. The McKim Advertising Company, of Montreal, was retained to place these articles in newspapers all over Eastern Canada. The following is a copy of a letter from the agency to an Ontario newspaper:—

"We have arranged with the 'Canadian Century' to take space in a large number of newspapers throughout Canada for the publication of a series of articles on 'Reciprocity,' now appearing in this weekly magazine.

"This matter requires to be set up in your regular body type as near like copy as possible, in space approximately 10 inches deep—two columns wide.

"Position to be top of page and alongside reading matter. To appear on your editorial page if possible; if not on editorial, on one of your best news pages.

"We have arranged to send you at least 150 inches of this stuff—one article each week—at the rate of 10 cents gross per inch.

"Should we send you less than this amount of space we will pay you 10 per cent higher rate.

"If you do not agree with the views expressed you will, of course, be at liberty to criticize them in a fair and courteous way, and, on the other hand, if they meet with your approval, your editorial endorsement from time to time will be appreciated.

"We enclose copy for article No. 1, which please insert in space required, two columns wide in first issue after February 19.

"Kindly acknowledge receipt of enclosed matter on the enclosed post card.

"Yours very truly,

"A. MCKIM, LIMITED."

Thus we see that it is the Canadian Century that foots the bill for this vast advertising campaign. But it is the capitalists behind it all. An advertising agency acts merely in the capacity of an agent and is paid by commissions. These articles were to be published on the editorial page if possible, and there was a kindly suggestion made that the editors should endorse the sentiments contained in them. Thus is public opinion manufactured by the capitalists in order to keep the people in subjection.

Here is a copy of the second letter sent out by the advertising agency with the second article:—

"Re 'Canadian Century' Reciprocity Matter."

"We enclose herewith copy for the Article No. 2 to be set up in regular body type as near like copy as possible and inserted in space approximately 14½ inches deep, two columns wide in first issue after February 27. Semi-weekly papers insert second issue of the week.

"If for any reason Article No. 1 has not been inserted, insert it in first issue and move No. 2 forward a week.

"**Position**—Guaranteed top of page and alongside reading matter, or first following two broken columns of reading matter.

"Requested on editorial page or good news page.

"A. MCKIM, LIMITED."

It will be noted that there is a keen desire not only to buy up the space in these journals, but the opinion of the editors as well.

The next step was the organization of the Anti-Reciprocity League with branches wherever they could be established. One of the aims of this organization was to lure Liberals into membership. The following from the "St. John Telegraph" explains the league's methods:—

"Here is a plain story about 'ready-made' anti-Reciprocity meetings.

"It is well known that the Conservative anti-Reciprocity campaign is 'being financed by interests which profit by the protective tariff, and recent information has come to light showing how the anti-Reciprocity campaign is being promoted and how 'made-to-order' meetings are 'worked up.

"A few days ago a St. John business man received a letter from the 'chairman of the Petitions' Committee of the Anti-Reciprocity League of 'Canada, with headquarters in Montreal. The league describes itself as a "'national organization, free from all political parties,' but how free it is 'from all political parties can best be judged by some of its literature. 'The chairman of the Petitions' Committee in the course of the letter sent 'to St. John said in part:—

"'We now wish to assist in organizing branch leagues in the cities and 'towns throughout the country, and take this opportunity in addressing 'you, as we wish to find out whether or not any league or similar organization has been formed in the City of St. John.

"'We know that meetings, etc., have been held bearing on the subject, 'but we do not consider this enough, for this question must be tackled "'AGGRESSIVELY in every possible manner.'

"The Answer."

"The St. John man wrote for further particulars, asking what assistance was furnished by the Montreal organization, and making other inquiries. The answer from Montreal, dated May 27, was as follows:—

"Dear Sir,—With reference to yours of the 25th inst., and replying to your inquiries, we supply all forms, etc., in French and English, for a strong petition campaign, we also supply any pamphlets we may issue from time to time.

"We also enclose a copy of our methods of organizing branches of the league, and in order that the best results be obtained, it is necessary that the branches be organized along the same lines, and trust you will adopt same in principal.

"We would be glad to have your opinion of this organizing, so that we may benefit by any suggestions which have not occurred to us here.

"We are,

"Yours very truly,

"THE ANTI-RECIPROCITY LEAGUE OF CANADA.

"Per H. K. S. Henning,

"Chairman of Petitions' Committee.

"Directions for Organizing."

"This letter was accompanied by specific instructions, copies of resolutions, copies of petitions, and other earmarks of the 'made-to-order' nature of the campaign in opposition to the proposed trade agreement. Among the circulars of instructions forwarded by Mr. Hemming is one entitled 'Methods of Organizing Local Branches.' It contains among other the following somewhat significant directions:—

"1—Call a meeting of prominent people **WHOM YOU KNOW TO BE STRONGLY OPPOSED TO RECIPROCITY, COMPRISING AS MANY LIBERALS AS POSSIBLE.**

"Be careful to explain that the meeting is to be entirely **FRÉE FROM PARTY POLITICS.**

"2—This meeting should be held **BEHIND CLOSED DOORS; NO PRESS REPORTS TO BE MADE AND NO ONE FAVORING RECIPROCITY ADMITTED.**

"A chairman, **IF POSSIBLE A PROMINENT LIBERAL,** should be chosen beforehand.

"After resolution 'A' and 'B,' attached herewith, are carried, appoint the president, vice-president and secretary-treasurer.

"4—Nominate an executive committee; this may be as large or as small as you may think advisable, but let it be understood that this, or any other committee, may have the power to add to its number.

"5—From among the members of the executive committee appoint a chairman of the parliamentary committee and of the petitions' committee, they to form their own committee.

"A Well Calculated Trick."

"Here is evidence of a widespread and calculated attempt to trick the Liberals into an attitude hostile to their party. The whole device is to use Liberals for the defeat of the government. Evidently all the information obtained is to be turned over to the Conservative organization for election use.

"Directions are given as to how to obtain a list of all who are in favor of Reciprocity, and the letter says: 'This is done for two purposes; first, to be able to publish the exact figures, for and against; second, to have a list of those who are your opponents in case of a referendum or general election. THIS INFORMATION WILL BE OF GREAT VALUE IN THE FUTURE AND SHOULD BE CAREFULLY COLLECTED AND CONSERVED.'

"That shows how free the Anti-Reciprocity League is from all political parties'

"In the course of the letter, speaking of the circulation of petitions, the writer says: 'In the case of large factories and buildings it is generally possible to have petitions taken around by the manager or foreman.' Also the following occurred: 'It should be explained that there are no fees in the association, all contributions being entirely voluntary.'

"In order to save expense the Montreal organization provides, free of charge, as many printed forms in French and English as may be required, copies of petitions, together with the letter explaining same, in order to save you the time for signature. These should be lavishly distributed the day before if possible.'

"Wild Literature."

"Copies of the 'ready-made' resolutions to be moved at the 'ready-made' meeting are kindly sent by Mr. Hemming, together with considerable wild literature concerning matters more or less remotely connected with the issue. The resolutions seek to associate Reciprocity with annexation.

"Liberals in St. John and throughout New Brunswick should be on their guard in case they are approached by agents of the Anti-Reciprocity League. It is simply an attempt to trap Liberals into working for the Tory cause.

Immense Conservative Corruption Funds.

From Canadian Opponents of the Reciprocity Arrangement from British Unionists and American Lobbyists.

It is quite evident that a huge amount of money has been made available for the purpose of fighting Reciprocity. Everyone knows that the money has not been put up by the farmers who are the people concerned. It is easy to surmise where these vast sums are coming from.

Not only is money being lavishly expended as indicated above, but it is evident that huge sums are to be expended in financing the Conservative campaign against Reciprocity. For instance, the Toronto News of May 17 said:—

"Mr. Miller knows that if the Conservative party had a fund equal to "the necessary charges of an educational campaign, it would mean probably "a change of representation in twenty constituencies. It is likely that Con- "servatives will have money enough to perfect their organization for the "next contest. At least, it is to be hoped that they will not go into the "contest bankrupt as has generally been the case since 1896. If Reciprocity "is to be defeated there will need to be both energy and organization, and "there must also be enough money to meet every necessary legitimate "expenditure."

Why, in their anxiety to defeat the Government, the Conservatives are apparently going to finance the Bourassa Nationalists whom they pretend to hold in contempt. The following is an extract from a Montreal despatch published in the Winnipeg Telegram of July 1, 1911:

"Will Divide Province."

"Montreal, June 30.—It looks now as if the Opposition will divide the "province at the coming election. It can be safely said, however, that out "of the 42 counties in the Montreal district, over 30 will be straight "Conservative. It is also a well known fact that although the Bourassa "wing is the noisy element, his party would not have been able to move "had it not been for the support they received from the old wing of the party, "and the knowledge of this fact will keep the reasonable Nationalists at "least on friendly terms with the men who are behind Mr. Borden in the "province."

To attain their purpose the Conservatives are evidently even willing to allow Bourassa to secure the balance of power, knowing well that he would throw in his lot with them. They would accept power even with Bourassa as their master. Read the following from the Ottawa Journal, Conservative, as an evidence of what they think may happen:—

"A possibility thus exists that after election day, it will depend on "Bourassa what is going to happen in the way of government changes."

So intensely is this campaign a fight of the protectionists that the Protectionists of the Old Country are trying to force their ideas upon Canada by subscribing to the Conservative campaign funds. The following is an item published in the

Toronto Sunday World (Conservative) on July 30, 1911:—

"London, July 29.—(Special).—In all the fury at Billingsgate of the fight between the two chambers of the British Parliament and the public uneasiness over Morocco, British tariff reformers do not lose sight of their fiscal ideal. They will leave no stone unturned to help Mr. Borden and his Conservative followers in the Dominion to defeat the Knox-Fielding pact.

"Large money has been raised in Chamberlainite circles for 'educational purposes' in Eastern Canada, the assumption being that the western sections do not require any fresh stimulus to oppose the proposed commercial relations with the United States.

"If the Laurier ministry should decide upon a September general election the contribution to the war chest of its opponents will be greatly increased from Birmingham and other Protectionist strongholds.

"Chamberlainite journals dwell upon Borden's Winnipeg prediction that 'when the Canadian West once realizes the true meaning of Reciprocity, the Canadian Westerners will make short work of it.'

"This is printed day by day in companionship with his Dauphin statement that subject to a legitimate protection of Canadian interests, he is 'anxious to throw trade as much as possible into British channels.'

"Prominence is also given to Mr. Balfour's assertion, that, whatever happens to the Reciprocity treaty, 'mischief has been done,' the 'mischief' being the chief consequence of the Reciprocity discussion between Washington and Ottawa—namely the interpretation the United States puts on the 'simple most favoured nation' formula.

"In that cryptic interpretation Mr. Balfour sees a 'tribute to the far-sighted policy of Chamberlain.'"

In fact, even the Americans opposed to the treaty evidently joined hands with the Conservatives in the fight against the measure. The following was published by the Ottawa Citizen (Conservative) on July 25, 1911:—

"LOBBYISTS TO INVADE OTTAWA."

"Opponents to Reciprocity Said to be Headed this Way."

"According to the anti-Reciprocity 'New York Sun,' the host of lobbyists against the measure who have been unsuccessful in their efforts at Washington are to invade Ottawa. The 'Sun' says:—

"It is already apparent that the opposition to the bill in Canada will at once be reinforced by the enemies of the measure who have been operating in Washington. The vote in the Senate had no sooner been announced than lobbyists of the opposition packed their grips and headed for Ottawa. The Northern migration will make it more difficult for the Canadian Government to deal with the situation.

"Considerable speculation is being indulged in in parliamentary circles over the above despatch, and it is said that the advance guard of the invaders has already arrived; but, if so, their operations are somewhat concealed. The opposition at Washington has emanated largely from the lumber and paper trusts, and if they are to come to Ottawa interest in the situation should be accentuated. The opposition in the House, however, is quite capable of attending to the matter without any outside assistance. It is exceedingly doubtful if the influence of Americans would have any effect upon the Government supporters, while the attitude of the Conservatives needs no strengthening. Reciprocity has resolved

"itself into a purely party question, and neither side, to any appreciable extent, suffers from insurgency within the ranks."

The fight of the "interests" as opposed to the farmers, against Reciprocity culminated in a campaign of obstruction in the House of Commons for the purpose of forcing an election. The Conservatives well knew that if Reciprocity went through and the country had a year's trial of it before there was an election, they would be annihilated by the public, and so they chose to force an election and try to scare the public with the contemptible cry that everyone supporting Reciprocity was disloyal. They take great credit for their course. For instance the *Toronto News* said on July 21, 1911:—

"The Opposition should not be too eager to escape the charge of obstruction. It is understood that the intention of the Conservative party is to prevent Parliamentary ratification of the trade agreement until the country has had an opportunity to express its judgment in a general election. The country knows that only by obstruction can ratification be prevented. Nothing is to be gained, therefore, by concealing the truer character of the contest or by denying that the ultimate object is to force an appeal to the people."

UNITED STATES CAMPAIGN FUND TO OPPOSE LAURIER.

American Protectionists Are Raising Large Fund to Fight Reciprocity in Canada at the Coming Elections.

The *New York Herald* of Friday, August 4, 1911, says:—

"Failing in their efforts to block the Canadian Reciprocity compact in Congress, American opponents of the treaty are endeavoring to defeat the measure, it was learned yesterday, by raising a large campaign fund to be used in the Dominion next month to bring about the defeat of the members of Parliament who favor the measure.

"Wilbur F. Wakeman, treasurer and general secretary of the American Protective Tariff League, informed a 'Herald' reporter that he had been approached by a representative of a large publicity agency, who outlined the plan to defeat the Reciprocity treaty with American dollars.

"Mr. Wakeman, who has opposed the lowering of the tariff wall between the United States and Canada, said that the American Protective Tariff League refused even to consider the plan for raising funds to defeat the treaty in Canada. He said that he did not believe a large sum of money could be raised in the United States to be used to influence the politics of a foreign country.

"A firm of publicity agents and others called upon us several weeks ago,' Mr. Wakeman said, 'and asked our co-operation to obtain funds for a campaign in Canada against the Reciprocity agreement. We absolutely declined to have anything to do with such a scheme. You will remember that the Cobden Free Trade Club of London tried to interfere in American politics some years ago, and the club has practically gone out of business. The Tariff League represents the policy of protection to American labor and industry, and it will stay right at home in its work and will not attempt to do anything direct or indirect in any foreign country.'

"Mr. Wakeman refused to give the names of the persons who requested that the American Protective Tariff League co-operate in raising the campaign fund to be used in Canada. He said that those interested in

"the movement had approached him in a confidential way and that he did not feel at liberty to give the names for publication."

OPPOSITION FORCED THE ELECTION.

In forcing an election at the present time the Conservatives are perpetrating a grave injustice upon the people of the western provinces who, under this year's census, are entitled to largely increased representation. But the Conservatives glory in their course and do so not on national grounds, but primarily because they think that they are thereby depriving a large part of Canada's population of its right to send representatives to Parliament and thereby helping the Conservatives to attain its party ends. Read in this connection what the Ottawa Journal said on July 29, 1911:—

"On the other hand, not to force a general election now—to allow adoption of Reciprocity, another session of Parliament, and a redistribution bill, meant that thirty new seats in Parliament would be allotted to the West of Canada, where the Government influence is overwhelming and unscrupulous, and that a general election would take place with a tolerable certainty of a large majority of these new seats being captured by the Government, not because the Government performance or platform deserves it, but because the power which the immigration machinery, the land laws and agencies and the public needs of a rapidly settling new country give a tremendous advantage in elections to the party in power. The Conservative leaders chose to force the election now. They did it for national and patriotic reasons; but we think their course has been also the best possible for the party for party reasons."

American Farmers Protest.

A vigorous fight put up by them against allowing Canadian farmer access to American market

American farmers do not want to share their market with the Canadian farmer and they put up a vigorous fight against Reciprocity in the United States Congress. A large number of prominent farmers were examined in connection with Reciprocity before a special Committee of the United States Senate. They were unanimous that the United States market was so good that they did not want to share it with Canada.

The following are extracts from the official Report of the Senate Committee proceedings:—

Mr. N. P. Hull, Master of the Michigan State Grange and President of the American Dairy Farmers' Association (page 74 U.S. Senate Committee Report).— "Now, as the general rule, upon the great commodities in the market centres you will find they are considerably higher in this country than they were in Canada. * * * * "Now there can be no question that if this committee and the United States Congress want to do a thing that will benefit the Canadian farmer all they have got to do is to pass this reciprocity measure."

Hon. F. M. Warner, Ex-Governor of Michigan. Page 276, Senate Committee Report: "Take the prices of the dairy boards of Plymouth, Wis., and Utica, N.Y., and the Canadian dairy boards, and you will find for the year 1900 a difference of at least 2 cents a pound. That meant that the farmers of Michigan or of Wisconsin or New York that were in the cheese business received at least 20 cents a hundred pounds more for their milk than they did over in Canada. * * * * The same thing, of course, would prevail in the butter proposition."

Henry Fieg, Chairman of the Minnesota Delegation (page 189, Senate Committee Reports): "The total difference between Minneapolis and Winnipeg prices for the 41 days quoted above is 438 cents on one bushel, or approximately 10 1/4 cents on an average per bushel in favour of the Minneapolis market. The total difference between Duluth and Winnipeg prices for the 41 days quoted above is 414 cents on one bushel, or approximately 10 1-10 on an average per bushel in favour of the Duluth market. The average difference in the price of barley and flaxseed between Minneapolis and Winnipeg for the present crop season has been approximately 28 and 25 cents per bushel respectively."

Arthur A. Wilkinson, representing the American Society of Equity of Minnesota (page 218 Senate Committee Reports): "But the fact is that wheat for the last five years, though the contrast has been greater in the latter three, has averaged from 5 to 15 cents a bushel more at Duluth than it has at Winnipeg. * * * * Their wheat is usually better than ours. Consequently if the grade of wheat was the same at both places, the difference in the price would be accentuated and increased from 3 to 4 cents per bushel more. * * * * The better grade of wheat has to bring up the lower price at the other side of the line, because their market is the export market of Great Britain; our wheat not being quite so good, being worth less intrinsically, from 3 to 4 cents per bushel, will sell from 5 to 15 cents more per bushel on this side of the line at practically the same market points, with practically the same facilities to get it to the markets of the country as the other, because we have built up that home market for our products."

F. J. Hagenbarth of Spencer, Idaho, ranching and live stock growing (page 658 Senate Committee Reports):—"We know as a fact that good grass-feeder steers from the Western Provinces of Canada, notably Alberta, sell at \$40 to \$45, the same animal being worth from \$50 to \$60 under varying markets, in the United States."

Senator Stone.—"The same grade of cattle?"

Mr. Hagenbarth.—"Practically the same grade."

Senator Stone.—"The same size?"

Mr. Hagenbarth.—"No; the Canadian steers are larger than ours, I think."

R. T. Kingman, of Hillsboro, North Dakota (page 375, Senate Committee Report):—"When I say 10 cents premium, in reality it is much more than 10 cents premium—the difference of 10 cents is based on the No. 1 Northern price at Port Arthur—Winnipeg, if you please, but it means Port Arthur—and No. 1 northern in the United States practically, as a matter of fact, is No. 2 northern in Manitoba. No. 2 northern is equivalent to our No. 1 northern."

Senator McCumber (page 380, Committee Report):—"But we know the difference between North Portal, for instance, in 10 years, and South Portal, both cities divided only by a street, with a British flag on one side and an American flag on the other, the freight rate exactly the same from one point to the other, both on the same line of roads; and we know on one side of the street the same grain for ten years has been from 10 to 12 cents a bushel less than on the other side of the street, and it is not by reason of speculation."

J. M. Devine, North Dakota Delegation (page 423, Senate Committee Report):—"Flax was sold at Portal during the month of December, on the Canadian side, at \$1.89; on the American side at \$2.34. * * * * I might say now, because Portal is a town just beyond where I live, that my barley on the Canadian side sold for 33 cents for that month. * * * *. On the American side it sold for 65 cents. Wheat for that month of this year sold on the Canadian side for 74 cents; on the American side 89 cents."

O. M. Larson, Madison, Minn., farmer and real estate dealer:—"I can assure this committee that in the holdings of land that I have, if this treaty becomes a law and goes into effect, I will immediately reduce the price of land that I hold for sale \$5 an acre and be thankful to get out of it at that."

R. T. Kingman, Hillsboro, North Dakota (page 387, Senate Committee Report):—"I believe I can speak with confidence when I say that there is a change in sentiment among the jobbers in some of the wholesale houses and wholesale business communities of the Northwest. When this thing came out they were told—the newspapers told them, and of course it must be true * * * * and they have changed their minds * * * *. If this measure passes I think Minneapolis and Duluth will go back; and some of these men who were in favour of this measure two months ago see their mistake, and have got it into their heads that Winnipeg will be the great centre. They have access to just as large capital as Minneapolis and St. Paul and really at lower rates of interest."

Hon. Knute Nelson, U.S. Senator (page 715, Senate Committee Report):—"If the Canadian Government were to seek a scheme to increase and hasten the settlement and build up that country more rapidly than it has been, no scheme could be invented that would be more conducive to that end than this scheme that has been inaugurated by the President. It will prove stagnation and ruin to our farmers."

Mr. F. V. Currier, Secretary Minnesota State Dairymen's Association of Nicolet, Minn. (page 255, Senate Committee Report):—"I will simply state that I am secretary of the Minnesota State Dairymen's Association, an organization for promoting the dairy industry of that State, and that I also represent

a large number of the local creameries of that State or about 60,000 dairy farmers. I am here to protest against this treaty. I have talked with different farmers and different men in my section of the State and I have failed to meet but one man who was in favor of the treaty, and that man was a minister of the gospel who admitted that he had not read the schedule."

C. H. Elgin, representing the Milk Producers' Association of Illinois, Wisconsin and Indiana (page 641, Senate Committee Report):—"It is with regret that we find it a necessity * * * * to come here and protest against the ratification of a treaty which opens the doors of our markets—the American farmer's markets—to the farmers of a foreign country."

F. N. Godfrey, Master of the N. Y. State Grange (page 96, Senate Committee Report):—"I believe that the average farmer in New York has been in favour of a reciprocity treaty with Canada, a real treaty with Canada, and when we heard that a treaty was being made between the two countries, we were heartily in support of it; but when the proposed treaty was made public and the farmers began to consider this question, they looked upon it as a trade and not a treaty. They feel, as they have given it thought and study, that it is an unjust and unfair proposition. * * * * The dairy interests in New York feel very serious about this proposition. They were coming to think that there was something and would be some money in the dairy business, but with the throwing open of the markets of our State to the dairymen of Canada, the allowing of them to put their butter and cheese upon our market on the same basis that we are doing, is unjust and unfair. They are able to produce these goods in Canada cheaper than we can in New York."

F. J. Hagenbarth, of Idaho, Rancher (page 664, Senate Committee Report):—"The Canadian Government is most liberal and even fraternal in the treatment of the agriculturists and live-stock producers, so it is not a violent assumption to predict that, possessing the raw resources and having at its door the greatest open market in the world for its products, and having governmental advantages which this country does not possess, and with wages as low as our own, Canada, with reciprocity and free meats, in a generation would outstrip the American producer in his race for a competence."

Arthur Stericker, Rancher, Wisconsin (page 685, Senate Committee Report):—"I fully believe that if our markets are given to the sheep breeders of the Canadian Northwest they will develop a sheep industry of approximately 20,000,000 head. With the rapid development of her agricultural lands and her increased production of cereals it necessarily follows that the breeders of Canada will have access to vast quantities of cheap Canadian sheep foods, and if these sheep are to be permitted to enter this country free of duty it surely means that our breeders must sacrifice sheep feeding in this Nation, or else move to Canada and develop the industry there, where feed and other necessities are obtained at a lower cost."

E. C. Lasater, representing the Texas Cattle Raisers' Association (page 453, Senate Committee Report):—"I appear here as one of the representatives of the Texas Cattle Raiser's Association, in opposition to both these measures. * * * * I desire to submit to your committee the proposition that our country cannot afford to turn over the production of its meat supply to any foreign country."

C. E. Bassett, Secretary of the Michigan State Horticultural Society (page 296, Senate Committee Report):—"In the meeting at Toronto two years ago the question was discussed * * * * and a gentleman spoke nearly the whole evening there before the fruit growers, and the whole sum and substance of his talk was, 'The thing we need is markets, markets. We can produce the fruit, but the question is to get rid of it.' And now we do not propose that they shall

have our markets. We do not wish that it should be so, and that is why the fruit growers, not only of Michigan, whom I have the power to represent, but the fruit growers of the State of New York, the fruit growers of the State of Ohio, and the fruit growers of other States, do not desire any such condition and do not desire to give to them the markets which we have helped to build up."

Mr. G. Cunningham, Gloucester, Massachusetts, Owner of fishing vessels (page 137, Senate Committee Report):—"Extract from the Brief filed in opposition to the proposed tariff arrangements. Filed by the Gloucester Board of Trade and Master Mariners' Association, on behalf of the New England Fisheries:—"The proposed arrangement, however, is of little or no value to any American industry, and will delay, if not permanently prevent, any true reciprocity, because the President has granted to the Canadians their heart's desire and all they want from us, the Atlantic fisheries, and we have nothing to offer for further concessions. Accordingly we ask all persons * * * * to reject the present arrangement as one lacking entirely the element of reciprocity, in that our industries gain nothing from Canada."

W. B. Roper, Secretary of the North Carolina Pine Association (page 519, Senate Committee Report):—"I may say before reading these resolutions that the North Carolina Pine Association, while not including the entire milling population of the three States we represent, represents an output of about 1,000,000,000 feet annually. * * * * Whereas there has been introduced into the Senate and the House of Representatives of the United States, and passed by the latter body, a bill enacting into law the Canadian reciprocity agreement, and whereas this agreement is reciprocal in name only, for all the burdens of the bill are borne by a few industries and sections and the benefits accrue to others. * * * * Whereas this agreement does not even recognize reciprocity between the lumber producing industries of the two countries * * * * Therefore be it resolved by the North Carolina Pine Association * * * * that the so-called reciprocity agreement is both inequitable and unjust, and discriminates against the lumber industry, being barred of reciprocal features so far as this industry is concerned."

L. Bronson, representing the National Lumber Manufacturing Association of the United States (page 362, Senate Committee Report):—"It indicates something of the character of this—the carelessness with which this treaty was framed. We admit Canadian lumber, a product of the sawmill, upon which perhaps \$8 a thousand has been expended in the way of labor and supplies, and on top of the \$2, \$3 or \$4, or whatever it is, stumpage value, standing value, give that free access to our markets, but do not require Canada to give us any advantage whatever. She does not release her forest: she gives us no access to her forests, but just to her sawmills. It seems to me very strange that the representatives of the United States Government who negotiated this treaty did not cover that point."

Leonard Bronson (page 633):—"This treaty discriminates against the lumber industry, among a few others, and that there is absolutely no reciprocity in it so far as the lumber industry is concerned—we give all and get nothing."

Leonard Bronson, Manager National Lumber Manufacturers' Association (page 478):—"This reciprocity agreement is supposed to be in the interest of conservation, whereas it is destructive of it. * * * * On the west coast there are peculiar conditions which make them tremble as they look at this reciprocity agreement."

Mr. Bronson (page 467): "Now, under these conditions the west-coast people say they know from bitter experience that the ordinary mill has got to go out of business soon if this duty is removed, and unless they are given some

benefit in the management of our shipping laws they have got to go out of business as fast as British Columbia can erect mills."

Mr. Bronson, Manager National Lumber Manufacturers' Association (page 485):—"Then they are further handicapped in the prospect if the duty on lumber be removed, of a water competition into their own markets. I see in the figures that I have got this morning that Oregon, Washington, and British Columbia ship into California about 1,750,000,000 feet of lumber a year. It is an enormous business * * * * and British Columbia, because of our coast-wise laws, has an advantage of at least \$1 a thousand—from \$1.25 to \$1.50 a thousand in transportation cost, so that if it were not for the duty, the British Columbia mills could operate in California, sell their product at terms with which the Washington mills could not compete—absolutely could not compete. * * * * As soon as they get adjusted with their enormous supplies of available timber and cheap timber, then they will go out for the foreign trade and cheaper trade, which they will capture in spite of all we can do if this duty is off. * * * * Take the duty off as things stand to-day and you ruin the operating lumbermen in the sawmills of the coast and the northern border."

Mr. Feig, Chairman of the Minnesota Delegation (page 183, Senate Committee Reports):—"Resolution adopted by a mass meeting of farmers held in Minnesota on April 11:—That this trade agreement, this proposed trade agreement with Canada, would be of inestimable damage and injury to the people of our section of the country and to all the agricultural interests, whatever they may be in this country. We farmers and business men of Minnesota, in mass meeting assembled, at St. Paul, Minn., do most earnestly and sincerely protest against the ratification by Congress of the pending treaty with Canada in its present form. In doing so we hereby announce and publish the following reasons: First, that the treaty is unfair, unjust, and discriminating against the agricultural interests of the United States, giving these interests practically nothing in return for what it deprives them of. * * * * Fourth, It creates an unfair competition, inasmuch as it will compel our farmers to compete in our markets with the cheap-produced products of alien competitors. We contend that our home market belongs in the first instance to our own citizens."

Mr. Feig, Chairman of the Minnesota Delegation (page 186, Senate Committee Reports):—"Our 85,000,000 are called upon to share equally with the 8,000,000 Canadians our own home markets, the richest markets in the world."

Mr. Collins, Editor of the Northwestern Agriculturalist, Minneapolis, Minn. (page 191, Senate Committee Report):—"Since the civil war there has not been a question that has so aroused people as does this iniquitous pact arouse the farmers of the Northwest."

Mr. Collins (page 197):—"We stand here with a petition which has been circulated among the farmers, and which bears to-day some 35,000 signatures of genuine American farmers * * * * We, the undersigned farmers of the Northwest, respectfully protest against the adoption of the so-called Canadian Reciprocity Bill."

And on page 199:—"I remember one letter which came from North Dakota. The writer said that every man in the township had signed it except two, and one of those was not present, and the other said that he had just bought a farm in Canada and was preparing to move over and—so he would not sign it."

Senator Stone.—You got about 20 per cent of the farmers in Minnesota to sign that petition?"

Mr. Collins —"Yes, sir, I did. We think that is remarkably significant for seeding time. * * * * That does not mean that the other 80 per cent refused by any means. It means that every farmer to whom that petition was offered

signed it, with the exception of twenty or thirty altogether."

Mr. Collins (page 201):—"Some of the most prominent members of the Chamber of Commerce are now opposed to this treaty on the ground that it will absolutely kill the grain production in our own State in the home markets, in order that they should build up a greater market in the Canadian Northwest. Then what will be the ultimate effect in the Canadian Northwest. Will they not move to the Canadian Northwest, up closer to the source of supply? Of course they will, and these millers and the grain men are beginning to see that point."

Mr. Collins (page 212):—"It gives the Canadian farmer the advantage" which you are taking away from the American farmer."

Mr. Wilkinson, representing the Farmers of Minnesota and the American Society of Equity (page 230, Senate Committee Report):—"Somewhere—there was hatched out or attempted to be hatched out a proposition that would practically make the difference in farming that would reduce it from a profit to a loss. Where we are indignant, where we feel as farmers that we have not been treated right is because we have been given no consideration, no chance to be heard."

Mr. Wilkinson (page 236):—"The same condition will prevail if this Reciprocity agreement goes into effect; wheat that comes from Canada to any of the American markets will have to be competed for by the different railroads * * * and they will have to bring it in on an import rate to get it. That rate will be in favour of the Canadian farmer, will be a lower rate than the Northwestern farmer can get, because of the competition, so the effect will be that not only are you placing the Canadian farmer on equality, but you are giving him the means of having an advantage over the American farmer in getting his wheat to the Minneapolis and Duluth markets."

Hon. F. M. Warner, Ex-Governor of Michigan (page 276, Senate Committee Report):—"The farmers of Michigan are about the same as the farmers of all other states, they are not 50 per cent against this measure, nor 75 per cent against this measure, but I really think 99 per cent are against it."

R. P. Bailey, Tacoma, Ohio (page 310, Senate Committee Report):—"The proposed Reciprocity treaty with Canada brings into competition with the American farmer lands larger in area than our western country, and in the production of hay, oats and barley surpasses our most fertile western plains."

Mr. McSparrow, representing the Grangers of Pennsylvania, Maine, Kentucky, Colorado, Oregon and Washington (page 57, Senate Committee Report):—"We are not responsible for the development of Canada. I submit it would be a grand thing for her development; and I admit this, also, that Mr. Taft was not fair to the people of the United States when he compared, to show that the Canadian farmer could not hurt in competition the American farmer, the corn crop. He was very careful to stay off the wheat crop; he was very careful to stay off the oat crop or the barley crop, or even the potato crop or the hay crop * * * when you take it down through the list of food products you will find that not only can she to-day produce practically along with the virgin soils of the United States, but that she is so situated and has a capacity that she will continue to do much better than we if you give her the advantage that you propose to ve her in this Reciprocity treaty."

Statement of Mr. C. M. Gardner, Master of the Massachusetts State Grange and Chairman of the Massachusetts Dairy Bureau (page 63, Senate Committee Report):—"We are building up our agriculture through building up our rural towns. Through building up our rural towns we are benefiting our whole Commonwealth, and we believe it is good for the country that Massachusetts should

be prosperous, just as we believe that it is good for Massachusetts that North and South Dakota and all those states and the states in the south and everywhere should be prosperous, and we are just pleading with you for a fair chance and a square deal. Our living is just as dear to us as yours, and our children want education the same as yours, and our homes we want to protect the same as you do, and we are doing those things to a reasonable degree, and all we ask is justice and a square deal and a chance to go on doing those things just as you want to go on doing those things. It is the voice of Massachusetts, and I bring it to you plainly and distinctly and clearly, a voice of protest against the ratification of the treaty."

F. E. Marchant, Master of the Rhode Island State Grange (page 69, Senate Committee Report):—"I just want to say to you that the farmers of Rhode Island believe that this treaty is a rank injustice to the farmers."

J. W. Hutchins, Secretary of the Michigan State Grange (page 77, U. S. Senate Committee Report):—"I want to say one word in regard to the sentiment in Michigan. I am among the farmers, and I am a farmer myself. * * * * I know what their sentiment is. To-day they stand unanimously against this measure. * * * * We believe that it will be injurious to the farmers. * * * * A farmer not many miles from where I am located and who is not a member of our organization at all, called on me a short time ago and said: 'Are not you people going to get busy about this? Are you going to let this go through without any protest?'"

S. H. Messick, Master of Delaware State Grange (page 80, U. S. Senate Committee Report):—"Our people in Delaware, in common with the farmers of other rural states, are in hearty accord in opposition to the proposed treaty. They cannot understand how this proposed treaty is fair and equitable. They all seem to understand that it is unfair and discriminative throughout. * * * * We regard it as a very dangerous experiment."

Mr. S. H. Messick (page 81):—"It has already been shown to my mind very conclusively that the products of the farm can be purchased cheaper in Canada than in our country. I am told that they buy no fertilizers, and they certainly have cheaper lands. I am told that wages are lower. All these conspire to give the Canadian farmer an advantage over the American farmer. He buys in the cheaper market, and if you put him alongside of the American farmer to sell in our markets he will have yet a greater advantage over us."

Mr. Pattee, Master of New Hampshire State Grange (page 85, U. S. Senate Committee Report):—"Independent of everything else, I am very sure that I speak for the whole farm people of the State of New Hampshire, in and out of our organization, in saying that they are opposed to these things."

J. A. Sherwood, Lecturer of the Connecticut State Grange (page 88, U. S. Senate Committee Report):—"I wish to say that I bring to you the feeling and the expression of the agricultural people in the little State of Connecticut, and I know that they are all opposed—nearly all opposed, I should say, to this treaty which we have under consideration here before us. * * * * Perhaps the dairying interest is the one interest which will be most largely affected in our State provided this treaty is passed, and that alone, it seems to me, is one of the reasons why we cannot agree with this bill."

Ex-Gov. M. J. Batchelder, of New Hampshire, Master of the National Grange (page 25, U. S. Senate Committee Report):—" * * * * I then stated that in the 28 States in which the Grange is organized, from all the information I had received from the thousands of subordinate Granges, the farmers were practically a unit in denouncing it, as an unjust attack on their interests. * * * * Since my appearance before you this question of the sentiment of the farmers

has been raised by the President and several members of Congress, while statements purporting to emanate from the White House have been widely circulated in the newspapers to the effect that the majority of the farmers favoured reciprocity and that the protests showered upon Congress by farm organizations and individual farmers were inspired by some unknown interests and did not represent the genuine sentiment of the farmers."

Robert Eaton, Illinois, Farmer (page 32, U.S. Senate Committee Report):—"I want to say to this committee and through you I want to convey it to this Congress that you are passing through a crisis which is equal to, if not greater, than that which Lincoln and Washington passed through. I believe we have come to the parting of the ways here in the United States. There are two roads before us to travel, and you are to decide along which of those highways the old chariot of this United States is going to continue to roll. Down along one of those pathways I see peace and prosperity. Along the highway are well-kept farms and a contented people. A little farther along are little villages well laid out and prosperous. Farther down that road are the great manufacturing cities, with their chimneys pointing heavenward, from which pours forth a volume of smoke. From out of these walls come the sound of wheels and the rattle of the shuttle. Above this are heard the happy voices of the workmen as they sing about their work. Come with me down this other road, leading into the avenues of free trade and destruction. Pass down that road. What do we find? We find the farmer's home going down, his fields not well tilled. A little farther down the villages are becoming dilapidated. Down farther, from that great chimney pours forth no smoke, from those mills there issue forth no sound of wheels. Come with me over to the workingman's home. The garden is uncared for, the children are clinging around their mother's knee and are not decently clothed. The workman sits there, almost the picture of a famished wolf. Why? Because free trade has been forced upon this country, and the workmen of America was put upon the level with the peasantry of Europe, and the manufacturing man who had his money tied up in that great manufacturing plant found that he could not run it to any advantage, and he turned the key in the door."

Oscar Rainey, Master of Missouri State Grange, and Member of the Executive Committee of the National Grange. Resolution passed at a mass meeting in the South-eastern part of the State. Page 40, U.S. Senate Committee Report):—"We condemn the action of our President, William H. Taft, in unmeasured terms for his action in bringing before Congress a measure whereby the products of the farmer are destroyed. We are painfully aware of the fact that, owing to such favorable conditions, Canada has in the past been able to pay the duty and make large shipments of cattle and wheat to this country, and we can not but believe, were the tariff barriers withdrawn, the effect would be ruinous to many of our agricultural sections."

Senator Williams.—"Do you think it will reduce the price of horses."

Mr. Rainey. "Yes, sir; Canada certainly thinks so. A few years ago we had apparently a fair sample of what Canada would do had she an opportunity. I happened to be at the head of our agricultural department there at the State fair, and they sent down there a gentleman, who was a very courteous gentleman, to present the exhibits from all that Manitoba country, and our exhibitors from the State of Missouri raised such a howl about it in about two years we had to exclude him from the building."

M. J. Lawrence, Owner and Publisher of the "Ohio Farmer" and the "Michigan Farmer." (page 271, U.S. Senate Committee Report):—"I want to

say to you very emphatically, candidly, and knowingly, that the inference that was undertaken to be drawn out yesterday by a member of your committee, that it is only a portion or a few of the farmers of this country that are making this plea antagonistic to this pact, is wrong. I say to you, as I said before, candidly and knowingly, that it is universal. There are no sections which are exceptions. It is just as strong in the East as it is in the West. There is not an agricultural paper or publication that I know that has not been absolutely harassed by thousands of letters from their subscribers to take the stand that is being advocated to you by the delegates before you from Ohio and Michigan. They represent the sentiment of the farmers, gentlemen. Do not doubt it, because it is absolutely true."

Treadwell Twitchell, Farmer, North Dakota (page 407, U. S. Senate Committee Report):—"We of the Northwest, farmers * * * * are constrained to criticize the action of the present administration, who invite the American farmer to take himself, his family, and his allegiance to an alien country that he may there enjoy a prosperity that this Government insures him as a Canadian citizen by opening up the best market in this world for such product as he can raise in Canada * * * * and the Canadian Government in its beneficence guarantees to him a larger purchasing power for every dollar that it can sell for in the American market if he spends that money in Canada."

Governor Lewis, North Dakota (page 396, U. S. Senate Committee Report):—"I have been told by people living along the border that there is a difference in the price of the land between this side * * * * of from \$5 to \$15 an acre."

Senator Stone.—" * * * * why would land on the south side of the dividing line command a price of from \$5 to \$15 an acre more than on the northern side?"

Mr. Lewis.—"For this reason, because the things produced on this side bring more money than a like amount of material produced on the other side."

Senator Williams.—"Does this difference of 10 cents in the price of wheat make the difference in the price of the land?"

Mr. Lewis.—"I think it does. I think I would give that much difference for that land."

Contradictory Arguments Advanced by Conservatives.

Summarizing the arguments of the Opposition against Reciprocity, we find the following:—

1. Reciprocity will prove of no benefit to Canada because prices for farm products are higher in Canada than in the United States.
2. Reciprocity will entirely destroy our east and west or interprovincial trade.

Now these two statements are self-contradictory. Our farmers products are sure to go to the highest market. If the United States market is not as good as the home market then none of our trade will go to the United States. But if our east and west interprovincial trade will be affected it will only be because the United States market offers higher prices than the home market.

3. Reciprocity will destroy our packing houses and our milling industry.
4. Reciprocity will reduce the price of pork and beef and will not give our farmers any higher price for their wheat.

The reason given for the destruction of our packing and milling industries is that the packer and the miller will have to pay a higher price for pork and beef and for wheat respectively. For instance, on February 22, 1911. Mr. Ames, Conservative M.P., said in the Commons:—

"The eastern miller, the eastern packer, to-day does not know where, 'if this agreement is ratified, he is going to get his raw material.'" and Dr. Sproule, Conservative M.P., said in the House, on February 21, 1911:

"But the flour that seems the most saleable, the strong baker's flour, is 'made from the hard wheat of the west and the soft wheat of Ontario. Therefore, the Ontario and Quebec miller requires that western wheat 'to make the quality of flour that the Ontario people desire to have, and 'they require to get it to keep their mills running as well. They have a 'large amount of wealth invested in the plants, and unless their mills are 'running fairly well up to their capacity they stand to be seriously injured. 'The harder you make it for them to get that grain from the west and the 'more grain that goes to Chicago, St. Paul and Minneapolis the more 'difficult it will be for them to meet the supply down here, and the less 'there will be of offal from the grinding of that grain to supply the farmers 'of this country.'"

Now which of these Conservative arguments is correct? Will the farmer get a higher price for his grain and his meat or will the packer get cheaper grain and meat. Both statements cannot be true.

5. We should reach out for new markets.
6. We should refuse to accept the United States market.

Thus we should refuse the Conservative ideal of a home market—one in which the industrial establishments are highly protected—and one right at our doors; and seek new markets thousands of miles away, where

labor is low-waged and so unable to pay high prices for food products.

7. That Reciprocity destroys the British Preference.

8. And yet, that we should not give Britain any preference unless she gives us a preference in her market.

The British Preference remains as it has always been. Everything coming from Britain enters Canada under a tariff one-third lower than goods from any other country. The Conservatives have always opposed it and if they came into power would revise the tariff to provide "adequate protection" against British goods. Borden said on March 8, 1911, in the Commons:—

"Now, some reference has been made by hon. gentlemen opposite to 'an increase of the British preference. I do not know whether the gentlemen who spoke on that subject were inspired or not. I have expressed 'my views on this subject eight or nine years ago in this House, and I stand 'by them to-day. I stand, in the first place, for the empire as against the 'world, and within the empire I stand, first, for Canada. I believe that a 'mill or a factory in Canada is worth as much to this great empire as a 'mill or factory in Yorkshire or anywhere else in England."

This Preferential Tariff matter is of so much importance in view of the claims of Imperial loyalty that the Conservatives make, that it is worth while quoting in addition to Mr. Borden's remarks, extracts from speeches delivered in the House of Commons by several other prominent Conservatives:—

Mr. Monk, November 30, 1909, Revised Hansard, page 761:—

"We have not concluded a treaty, but we have established a tariff 'specially favourable to Great Britain, giving her a special favour for which 'we receive nothing in return. It is a matter of sentiment. For my own 'part I thought at the time, and have always expressed the view, that we 'were going very far. The results have demonstrated that those who 'raised that objection were right."

Mr. Sproule, M.P., December 16, 1909, Revised Hansard, page 1606:—

"Let me point out to him that one of the changes made in the tariff 'when it was revised some years ago, was a change which I have always 'regarded as unwise and injurious to the interests of the agricultural com- 'munity * * * * and also the woollen textile industries. When we gave 'the British preference we struck a vital blow at the woollen industry." And on page 1607: "Why was this unwise policy introduced? For what 'purpose did the Government give that British preference." And again on page 1611: "The Government killed the Canadian farmers' market in 'Germany and destroyed the market for consumption at home by those 'who were engaged in the textile industry, in addition to sacrificing the home 'market for the wool the farmer raised. * * * * This was all accomplished 'by the British preference."

T. S. Sproule, M.P., November 30, 1909, Revised Hansard, page 749:—

"The arrangement they made with England was one-sided and Canada 'sustained a great injury from it without deriving any benefit in return."

T. S. Sproule, M.P., November 30, 1909, Revised Hansard, page 748:—

"In 1897 they started off by throwing off part of the duty on English 'goods, giving a preference to England. * * * * What has been the 'practical result of that course? It practically killed our woollen trade in

"Canada, closed up nearly all our woollen mills threw the artisans employed in these mills out of employment, reduced the market for Canadian wool and swept away the greater part of the hundreds of thousands of dollars invested in the woollen trade of Canada. * * * * Which side derived the advantage from that one-sided arrangement? Not Canada. It is true that England got an advantage, but Canada received no advantage from it whatever. * * * * The Minister of Agriculture went to England and discussing reciprocal preferential trade said that what we did we did voluntarily and of our own free will and accord, we did it for England's sake, we did not want anything in return. * * * * He thought he represented the whole Dominion of Canada, when if he had gone among the farmers of Canada they would have regarded him as one of Mark Twain's innocents abroad."

Mr. Monk, November 22, 1910, Unrevised Hansard, page 119:—

"I speak as one who was brought up in the school of Sir John A. Macdonald, and I do not believe that the cardinal policy which should guide this Government at present in connection with these negotiations is the British preference. It is true that I have contended in this House, therein echoing, I believe, the opinion of many, that so long as that preference was one-sided it was incomplete. I was only echoing the opinion of the Minister of Finance, at the conference in 1902, stated to the representatives of the British countries, in a memorandum which I believe was presented at that conference, or at the conference of 1907, that if there was no mutuality in the tariff preference, it would be for us to consider whether we should not make more favourable arrangements with other nations, whether it was not our duty to change the conditions of a favour which we had extended with pleasure in the expectation of Reciprocity. But, I say, what the cardinal principle which should guide us in all matters relating to the tariff is the advantage of Canada, the welfare of our own industrial life. That is the cardinal principle, and I join issue with my right hon. friend in the proposition which he laid down last night, that the British preference was the cardinal principle which should guide us in the negotiations which, it seems to me, have become necessary with our neighbors."

RECIPROCITY DOES NOT INTERFERE WITH PREFERENCE.

Finance Minister Fielding's Opinion.

Here is what Hon. W. S. Fielding, Minister of Finance, who negotiated the Reciprocity arrangement says in regard to the preference:—

"In consequence of such comments I have on several occasions emphasized the fact that there is **NOTHING IN THIS AGREEMENT WHICH WILL PREVENT** the people of Canada at any time making any changes whatever they may desire in their tariff policy, and that if at any time they desire to **GIVE THE BRITISH PEOPLE A LARGER PREFERENCE THAN NOW**, there is absolutely nothing in this Reciprocity agreement to prevent the Canadian Government and Parliament from doing so."

THE BRITISH CHANCELLOR ALSO.

Rt Hon. David Lloyd-George, Chancellor of the Exchequer in the Imperial Government, has expressed himself in favor of the Reciprocity arrangement between Canada and the United States. The Canadian Associated Cable, dated London, England, February 17, 1911, quotes him as follows:—

"I rejoice that it has been negotiated, and heartily trust it will carry to a successful conclusion. I regard it as a great triumph of common sense and an immense stride in the cause of free trade, inculcating a step towards the fraternity and co-operation of the English speaking family."

CANADIAN LIBERALS ARE FOR PREFERENCE WITH GREAT BRITAIN AND FOR THE RECIPROCITY AGREEMENT WITH THE UNITED STATES.

It is significant that the Reciprocity agreement is attacked, not because of its terms, but because of some remote result that may flow from it or because of some opinion held about it by certain public men in the United States. Taft's recent declaration has been seized upon with avidity. His position and his moderation demand that his words be considered, but they ought not to be taken as infallible, nor allowed to frighten Canadians away from exercising their own judgment. Here is the passage:—

"The forces which are at work in England and in Canada to separate her (Canada) from the United States by a Chinese wall, and to make her part of an Imperial commercial bond reaching from England around the world to England again by a system of preferential tariff, will derive an impetus from the rejection of this treaty; and if we would have Reciprocity we must take it now, or give it up for ever."

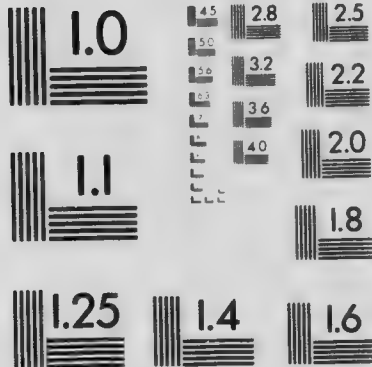
President Taft here conveys the impression that our choice in Canada and England is between British trade and American trade. The fact is that the issue in Great Britain and Canada is between freedom and restriction. The policy of the Liberal party in Great Britain is free trade with all the world. The Protectionist party is by no means united on the question of admitting colonial imports free of duty. In England, as in Canada, there are protectionists who indulge in vague eloquence about Imperial trade, but who object strongly to outside competition, whether it comes from foreign countries or from other parts of the Empire.

In Canada the division is of a similar kind. Canada does not possess a British party and an American party. It has a party which favors freedom and a party which loves restriction. There may be, as President Taft thinks, a party which desires to separate Canada from the United States by a Chinese wall; but let him not imagine that this same party desires to lower the tariff wall so as to admit British imports free or at a lower rate of duty. Many of those who are fighting tooth and nail against this Reciprocity agreement would be panic-stricken if it were proposed to make a substantial increase in the British preference. When they advocate preferential trade, what they mean is the adoption of protective duties in the United Kingdom.

On the other hand, the advocates of the Reciprocity agreement in Canada are also the advocates of the British preference. Mr. Fielding, who negotiated the Reciprocity agreement, is author of the British preference. The Western farmers, who are strong friends of the Reciprocity agreement, ask for the increase of the British preference.



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CANADA THE HIGHLY FAVORED NATION, NOT ARGENTINA.

"Let well enough alone" has become a stock phrase of those opposing Reciprocity. This phrase of itself is a great tribute to the efficient administration of the Liberal Government. Canada is so prosperous to-day under the Liberals—in marked contrast to the conditions that prevailed under the Conservatives—that the Conservatives do not think any further efforts should be made to make Canada still more prosperous. The basis of Canada's prosperity to-day is her farm products. Canada with but a small portion of her agricultural lands under cultivation is producing vastly more products than she can consume. It is the duty of the Government to find markets in order that the uncultivated land may be placed under crop and made to produce wealth for the Canadian people.

The United States affords the nearest and best market. The United States has reached such a point that the Reciprocity arrangement was carried through Congress despite the opposition of the American farmers and despite the opposition of the "interests," who, like the "interests" in Canada, feared it would mean the narrow edge of the wedge against protection. It was carried through Congress because of the uprising of the American people against the high prices of food. It is claimed by the Opposition that on that account the Democrats would have made food free even if no Reciprocity arrangement had been made with Canada. This all the more shows that from the Canadian standpoint it was good business for Canada to make the arrangement. Had the Government failed to take advantage of the opportunity the United States might either have made natural products to the world or it might have made a reciprocity arrangement with Argentina or some other food exporting nation. If the latter course had been followed Canada would have seen another country reaping the rich harvest of the American market out of which Canadian products were shut. If the former course had been followed Canada, it is true, would have had access to the American market, but would have had to compete in it with the world. Now, Canada alone will get that market.

RECIPROCITY AND CONSERVATION.

Conservatives indulge in much rhetoric about Americans who have dissipated their own natural resources and purpose dissipating ours. But none of them are able to say how this can be brought about. Canada's natural resources consist of water, land, minerals, timber. The Americans cannot take away our water or our lands. Then the resources that the Conservatives fear will be dissipated are our minerals and our timber.

Conservation does not consist in allowing these or any other natural resources to lie unused. Conservation means intelligent use. Control of our mines and timber absolutely rests with the Governments of Canada—Federal and Provincial. They have full authority to make and enforce regulations to prevent any waste or misuse of our natural resources. How can any Americans, or anyone else, dissipate our natural resources under the circumstances? The question of conservation is a question of regulation and administration within our own country of our own resources. Conservation is the preservation of our resources

from waste, the utilization of our resources under wise and proper management.

Conservation of forest resources, for instance, does not mean to forbid the cutting of any tree in Canada; it means the cutting of the trees that are ripe to be cut and the proper preservation of those that are not yet ready for cutting from the destructive influences of fire, insects and other enemies of our forests. If conservation means that we are to stop lumbering operations in this country if it means that we are to keep our trees until they fall from age and rot upon the ground where they will be a hiding place and breeding place of insects injurious to the forests and a means of spreading fire, then, conservation means putting an end to the utilization of our forest resources. It does not mean anything of the kind. Conservation means that we shall so regulate the cutting of our trees that no tree so small to be cut shall be cut, that no tree when it is cut shall destroy other trees around it, that when the tops and the debris of the trees which are cut are left in the forest, they shall be taken care of so that fire may not spread among them, and thereby generate those destructive fires which are the worst enemies of our forest resources. Conservation means that we shall see to it that the insect pests that infect our forests and trees shall be fought and combatted, that fires shall not be allowed to spread, whether originating by settlers, or by hunters, or by trappers, or by railroads. Forest conservation means that forest areas shall be set apart as forest reserves, to protect the sources of our water supply, the sources of our streams, in order that water may be procured for agricultural and manufacturing operations and kept at a continuous flow.

THE LOYALTY CRY.

Every Canadian is insulted by the manner in which the Conservatives prophesy that Reciprocity will lead to annexation and that all who favor Reciprocity are therefore disloyal. Whether times are good or whether times are bad who is going to become disloyal to Canada? Is R. L. Borden, or Geo. E. Foster? If they are not what right have they to say that any of the rest of us will become disloyal.

Will large and profitable business with the United States make us disloyal? We purchased from the United States \$239,000,000 worth of goods and only sold them \$113,000,000 worth, and if it has not made us disloyal to buy from them \$125,000,000 more than we sold them, then how will it make us disloyal or annexationists if we now try to sell them that \$125,000,000 worth of produce rather than pay them that amount in gold. Why, if there is any danger of volume of trade making us disloyal, all the United States would ever have to do would be to throw off all her tariff duties against us.

In this connection it is well to read Sir Wilfrid Laurier's masterly handling of this subject:—

"I now come to the last of the objections raised against us. Hon. gentlemen opposite find within the four corners of this agreement the latent, the insipient destruction of our industries, but it is still more difficult to find therein the fatal germ which is to dissolve our autonomy finally landing it into the American Republic. Autonomy! They speak of autonomy. Why, it was only last year we heard the same men rebuke

"us because we paid too much attention to autonomy.

"But, whether they approve of autonomy, or whether they combat it, they show clearly, in one instance as in the other, that they never understood or appreciated the true meaning of the word. This new-born zeal for autonomy, when reduced to actual exposition, is generally expressed somewhat in this way: There may be, perhaps, no danger to our autonomy in this agreement itself; but this is only a first step that will be followed by others. This, they tell us, is a trade agreement confined to natural products; another time the agreement will be extended to manufactured products; this will be followed by commercial union and lastly by political union. Such logic, Sir, will carry you any distance, in any direction, to any conclusion which hope, fear or any other passion may suggest. With such logic the world has long been familiar. Was there ever, in any land, at any time, a reform proposed which was not immediately denounced as revolution by the forces of reaction? With this logic we have been particularly familiar in this country even since the first days of responsible government. Open the records of our own old discussions, and you will find that when the reformers of that day were asking for responsible government, all the Tories denounced the idea as being the first step towards annexation. It is not, therefore, to be wondered at that, if, upon this occasion, the whole Conservative party have been moved by the old instincts of Toryism. But the manner in which this reform which we now bring forward is opposed to my mind, will be seen by anybody who examines the question to be an insult to the intelligence and character of the Canadian people. What are the arguments we hear against this agreement to justify the position which is taken that this is a first step towards the dissolution of our autonomy? We are told that this agreement may, perhaps, lead to certain satisfactory results for some time, but that later it may be removed, may be followed by a high protectionist tariff, and under such circumstances the Canadian people would not have the stamina to resist the dislocation of trade but would be forced to seek refuge in the American union. This is the argument which we have heard from the leader of the opposition (Mr. Borden, Halifax); this is the argument of my hon. friend from North Toronto (Mr. Foster). Nay, this is even the argument we have heard from my hon. friend from Brandon (Mr. Sifton), who, on this occasion of all occasions, has deserted the principles of Liberalism to join the principles of Conservatism. Let me refer to the resolutions of the Board of Trade of Toronto.—I take these because they contain in condensed form all the arguments with which we have been deluged in this House. The third resolution says:—

"3—That any present benefit to any section of Canada or to any interest therein which might accrue from said agreement would be more than offset by the loss and injury to other sections and interests. There is an admission that in this agreement there will be a benefit at least to some sections of the community. It may be qualified, but it is there all the same. And the fourth and fifth resolutions read:—

"4—That the proposed agreement would weaken the ties which bind Canada to the Empire.

"5—That to avoid the disruption of trade which after some years under said agreement would result were said agreement terminated and a protective tariff against Canada established by the United States, Canada would be forced to closer trade relations with them, which would still further weaken those ties and make it more difficult to avert political union with the United States.

"Mark those words—'Can we be forced to closer trade relations.'
"Well, Sir, if Canada would be forced, what would force it? Nations there
"have been which, in the face of a great emergency, a great national
"calamity, would rise to the occasion, and even the women throw their
"jewels and ornaments into the common fund for the protection of the coun-
"try. But we are told here by Canadian Tories that in a crisis, an economic
"crisis, were to arise in which their pockets would be liable to suffer, they
"would hesitate between their pockets and their loyalty.

"But, Sir, the Tories of fifty years ago were made of sterner stuff. In
"1854, the treaty which was negotiated by Lord Elgin, with Francis Hincks
"as his Prime Minister, resulted in immediate abundance of prosperity. Ten
"years afterwards the treaty was repealed, and a high protective tariff
"substituted for it. At that time, did Canadians falter? Did they hesitate?
"Were they forced into closer relations with the United States? Did they
"seek a refuge in political union? No, in the face of that action they con-
"ceived and organized the Canadian confederation.

"The treaty of 1854 was negotiated by Lord Elgin when, as I have said,
"he had as his First Prime Minister Francis Hincks. It was ratified in 1854
"by the first Liberal-Conservative administration that we had. That ad-
"ministration was presided over by that staunch, stalwart Tory, Sir Allan
"Macnab, and one of its members was the young man, John A. Macdonald.
"Did Sir Allan Macnab, or did John A. Macdonald falter? Did they say to
"Lord Elgin that they would not advise the ratification of the treaty for
"fear that, if it were afterwards abolished, the Canadian people would be
"forced into closer relations with the United States? On the contrary,
"their advice to Lord Elgin was to ratify the treaty. It never occurred to
"them that, even if the treaty could be repealed, as it was repealed ten years
"later, there would be a single Canadian who would be led by the dislocation
"of trade to change his country's allegiance. Can you imagine what would have
"been the colloquy between Lord Elgin and his advisers, if, instead of being
"advised by such men as Sir Allan Macnab and John A. Macdonald, he had
"been advised by the present leaders of the opposition, my hon. friend
"Mr. Borden and my hon. friend George Eulas Foster. 'Sir,' they would
"have said, 'do not ratify this treaty.' Lord Elgin would ask them, 'Why;
"will not the treaty be a cause of satisfaction to the people?' 'It would,'
"they would answer; 'but that is the very thing we dread. It may bring
"us prosperity. But, after prosperity comes, the treaty may be repealed
"and replaced by a high tariff: and we are not sure that our knees would be
"firm enough and our spines strong enough to resist the aggression of the
"Americans.'

"We reject the advice of the timorous-hearted men of to-day, we stand
"by the advice of the stout-hearted men of fifty years ago."

BISHOPS OF THE EPISCOPAL CHURCH.

At the opening meeting of the Synod of the Diocese of Ontario (Anglican)
on June 13, 1911, His Lordship Bishop Mills of Kingston referred to this cry of
disloyalty. He said in part:—

"Of course, there are some people going up and down the country now,
"professional politicians for the most part (though there are some others
"with them who know just as little about the matter), who are singing a song
"about blue ruin which is coming on our country through Reciprocity with
"the United States. Whether it would be in the general interests of the
"country is a question for debate, and about which different opinions may

"be held. But politicians have not devoted their attention so much to the discussion of this question as in ringing changes on the cry that if Reciprocity were adopted it would be the first step towards annexation; that the United States would be buying us, and we would be selling ourselves. I think that is the greatest nonsense that ever came from the mouths of supposedly sane men; as a Canadian, I resent it. I would think little of my loyalty to the British Crown and the British Empire if it depended on tariff schedules. Those who think the national spirit of Canada is such a poor and uncertain thing that her existence as a nation would be imperilled by an increase of trade with the United States certainly do not know her. There is no part of the British Empire in which there is truer loyalty than in Canada, and she can be neither bought nor sold. It is a strange thing that both parties, from Sir John Macdonald down, have sought for Reciprocity with the United States, and looked upon it as desirable, but the United States would not agree to it, and I am not sure they will now; however, when it is apparently within our reach, there is a cry raised against it, as though it meant the ruination of the country."

Bishop Courtenay, of New York, formerly Anglican Bishop of Nova Scotia, says:—

"What we want most of all at this time is to back up the administration on both sides of the imaginary boundary line between this country and Canada.

"The assertion of those opposed to plans for Reciprocity that the acceptance of the one now proposed means the ultimate annexation of Canada to the United States is about the biggest rubbish that you can get any honest man to listen to at this time. Annexation does not exist in the minds of any body of men on this side of the border."

Reciprocity and the Farmer.

This Reciprocity pact is generally stated to be in the interest of the farmer. In Canada that surely is no great ground for condemning it. Agriculture is so important in Canada that if it is benefitted, the whole country must be.

Let us examine the pact from an economic view as it affects our farmers. At present, Canadian farmers produce more than Canada can consume. The price of agricultural produce, where there is a surplus for export, is almost entirely determined by the export price. If therefore, the export price can be raised, the farmers will be benefitted all round.

The opponents of Reciprocity claim that the British market is the best market for Canadian agricultural products. It is true that for some products it has been the best and, for a few, is still; but one single market can never be as good as two. To-day, the Canadian farmer has free entry only to his home market and the British market. With free entry into the big American consuming centres, he will have that additional market without in any way interfering with his privilege or right to sell when it suits him in the Canadian and British markets.

To-day, a high duty meets the Canadian exporter of agricultural products when trying to sell in the United States. Under the agreement this high duty will disappear on all agricultural products. At present Great Britain charges no duty to the Canadian exporter. She will continue to charge no duty, and, therefore, the Canadian exporter will still be in the same position in the British market that he is to-day, while he will have the advantage of free trade into the American market, instead of being heavily taxed for that privilege.

It is said the British market is the best. What is the actual trade to-day in the following articles of Canadian export?

Statement of articles included in the proposed Reciprocal Agreement, showing value of goods, the produce of Canada, exported to Great Britain and United States for years 1910 and 1911:

Article	1910		1911	
	Gt. Britain	U. S.	Gt. Britain	U.S.
Horses...	\$ 66,815	\$ 453,186	\$ 36,072	\$ 499,116
Cattle...	9,979,918	642,674	7,942,144	457,079
Swine...	none	6,088	none	45,526
Sheep...	11, '41	569,679	2,611	251,850
Poultry...	27,468	137,290	1,154	102,266
Wheat...	49,267,756	1,883,647	43,335,569	236,256
Rye...	28,208	7,347	none	45,309
Oats...	508,300	534,680	1,540,119	47,466
Barley...	744,470	66,608	576,902	49,361

Article	1910		1911	
	Gt. Britain	U. S.	Gt. Britain	U.S.
Buckwheat... ..	306,352	24,663	205	40,024
Hay... ..	922,718	673,220	1,152,629	1,449,990
Straw... ..	542	24,081	3,910	14,465
Potatoes... ..	259	345,903	132	13,835
Turnips... ..	550	173,933	none	206,263
All other vegetables..	6,613	150,078	43	233,068
Apples... ..	4,184,878	132,810	1,598,359	50,149
Berries... ..	none	148,676	none	82,814
Fruits, all other... ..	33,089	35,382	35,993	28,106
Dried Apples... ..	86,084	88,342	16,013	20,033
Butter... ..	587,493	199,854	401,621	91,370
Peas... ..	195,178	273,956	79,319	334,234
Cheese... ..	21,481,566	23,995	20,577,542	36,034
Milk and Cream... ..				1,719,919
Eggs... ..	9,333	11,551	2,128	6,927
Clover Seed... ..	237,514	422,272	230,981	1,169,751
Flax Seed... ..	2,796,502	741,349	2,285,411	3,859,211
Grass Seed... ..	1,993	66,908	2,948	191,797
All other Seeds... ..	6,808	25,907	557	45,693

This shows that, notwithstanding the fact that Great Britain's market is free, and that the American market charges a high rate of duty, of the 26 products above quoted with the exception of 8 articles (cattle, wheat, oats, barley, buckwheat, apples, butter and cheese) Canada exports more to the United States than she does to Great Britain.

Here is proof conclusive, that on these articles the British market without duty is not as good as the American market with duty. Put the two countries on the same footing of "no duty" and it is a self-evident fact that the American market is the better market.

Our Conservative friends may take exception to the above, as they do to everything that is of advantage to the farmer so let us compare Canada's total trade with Great Britain, with her total trade with the United States, for the last five years.

	Gt. Britain	United States	Total with world
1907.....	\$ 169,000,000	\$ 234,000,000	\$ 462,000,000
1908.....	229,000,000	324,000,000	638,000,000
1909.....	204,000,000	272,000,000	559,000,000
1910.....	244,000,000	336,000,000	677,000,000
1911.....	246,000,000	404,000,000	759,000,000
Total....	\$1,092,000,000	1,570,000,000	\$3,095,000,000

CHEESE.

There are some of these products which require a little more attention. Take the dairy products. Great Britain is and has for many years been the great consumer of our cheese. We have exported by far the largest proportion of our whole product to that market and we have had, on the whole, very satisfactory prices. The quality of our cheese is high and it commands the English import market. In the United States they have tampered with their cheese manufacture by permitting skimmed cheese and filled cheese to be manufactured and as a rule they make a softer cheese than the Canadian Cheddar Cheese. This may suit the uninitiated taste but there is in the United States, as well as in Great Britain, a very large growing demand for fancy cheese, such as our best Canadian Cheddar and the fancy cheeses of Europe.

The United States has ceased to be a cheese exporting country which is clearly shown in the following tables of imports and exports. The imports in immense increase while the exports fall off to almost nothing.

Imports and Exports of Cheese to and from the United States.

	Exports	Imports
1900.....	\$ 4,943,609	\$ 1,761,613
1901.....	3,950,999	2,120,293
1902.....	2,745,597	2,551,336
1903.....	2,250,229	3,183,224
1904.....	2,452,239	3,284,811
1905.....	1,084,044	3,379,600
1906.....	1,940,620	4,303,830
1907.....	2,012,626	5,704,012
1908.....	1,092,053	5,586,706
1909.....	857,091	5,866,154

These imports are largely in the fancy cheese. Already in Canada there is an attempt made to induce the manufacture of this cheese. With the entry into such a market, as the United States is shown to be, there would be a profit in a large expansion of trade in Canada in the manufacture of this cheese. These fancy cheese pay a much higher rate per hundred pounds for the milk that enters into their manufacture than does even the best Canadian Cheddar cheese. With the free entry into the American market there is no reason that our Canadian dairymen should not soon control the American market for these cheese. Such of our Canadian cheese makers as go into it would probably make from \$1.50 to \$1.80 per hundred pounds of milk instead of, as they do now from .80 to \$1.00 per hundred pounds. So much for cheese.

BUTTER.

In regard to butter we have a different condition of affairs. Some years ago Canada exported a large amount of butter to Great Britain. This has steadily decreased in the last few years, notwithstanding the larger produce of butter in Canada. Last year we sent only \$401,621 worth of butter to

Great Britain. One reason for this great decrease lately has been the change of tariff on cream on the part of the United States. By the Payne-Aldrich tariff of 1909 the duty on cream was reduced from 20c. to 5c. a gallon. Before that time our people had found the most profit in the butter industry by making their cream into butter and exporting most of it to Great Britain largely because they had to pay 6c. a pound duty on butter or 20c. a gallon duty on cream if they tried to send it into the United States. Immediately the duty was lowered the Canadian dairyman began to send cream into the United States and last year (the year ending the 31st of March last) we exported \$1,719,919 worth of cream to the United States.

Had this duty not been lowered the probability is that that cream would have been made into butter in Canada and sent to England. The English market was still available and if our dairyman preferred to send their cream into the United States it was simply because they were able to make more money out of it on their hundred pounds of milk from which that cream was skimmed than if the product of that milk had been made into butter in Canada and sent to England. This, too, in face of the duty of 5c. a gallon or $1\frac{1}{4}$ cents per pound on the butter equivalent of the gallon of cream.

Under the Reciprocity agreement cream and butter both will go into the United States free of duty, the Canadian Dairyman will have the 5 cents a gallon duty on cream or about the equivalent of $1\frac{1}{4}$ cents per pound on the butter, an additional advantage in future in sending that into the United States instead of sending it to England. He has done it already to a profit and with Reciprocity it is evident he will have a greater profit in the United States market. We have an eloquent tribute to the truth of these arguments from Mr. A. A. Ayer, of Montreal, the largest dealer in Dairy Produce in the Dominion, who said at the Meeting of the District of Bedford Dairyman's Convention held in Cowansville on January 30th and 31st, 1911

"Do you know that if it were not for this opening to ship Cream across the line, and if it were not for this wonderful opening in the West for our butter, the Canadian shipments of butter this year, to England, instead of being something like 27,500 packages, would have been more than 275,000 packages, and that your prices would have been at least 2 cents per pound less than you have obtained this last year, which means a big sum of money. You see, you had these openings, you had these new markets, which increased the whole level of your prices in this country."

This is proof conclusive that the British Market is not the best. We have been sending this product in the shape of cream to the United States because the duty on cream was reduced while the duty on butter was maintained at 6 cents. By the Reciprocity Pact the duty disappears from both butter and cream, and there is no reason why in the future the Canadian Dairyman cannot make his cream into butter and send it to the United States instead of sending his cream—an advantage to the Factorymen of Canada as well as the producers of the milk. So much for butter.

HAY.

Generally speaking it is not advisable to encourage the exportation of

Hay. Canada is an agricultural country. To be a successful agricultural country one great object is to see that the fertility of the soil is not impaired. Therefore, to avoid this the Canadian farmer should feed his hay and straw to his stock and produce manure to put back on the land to enrich the soil. There are, however, exceptions to this.

Along the St. Lawrence and other rivers in the Province of Quebec there are large intervalle lands which are flooded over year after year. This flooding adds to the fertility of the soil and for 75 or 100 years (and in some cases longer) the owners of these lands have been cutting and selling hay. The farmers owning these lands have grown rich, notwithstanding that their market has been restricted. These lands as stated above, are fertilized by nature and hay cropping is by far the most profitable use that can be made of them. The same is true in regard to the dyked lands on the Bay of Fundy in New Brunswick and also in Nova Scotia, and it is idle for Mr. Sifton and his clique of capitalists, who are opposing everything that will in any way benefit the farmer to say that it is to the disadvantage of Canada to have the duty on hay going into the United States taken off. The high duty of \$4.00 per ton, has in the past been a great handicap in getting this Canadian hay into the United States market at prices which would compete with the American grown hay. Canada has, however, as shown in the following table, even under these conditions, sent a considerable quantity of hay to the United States. With this duty off, the American market will undoubtedly be the best, and it is the universal opinion of parties who understand this trade that the Canadian farmer will get the difference of the duty (pretty surely three dollars out of the four), as an increased price for his hay. It is the lawyers, manufacturers, bankers, and capitalists, who are objecting to the selling of this hay and say it is bad for the Canadian Farmers to sell hay. There are circumstances as above stated under which it is bad for the Canadian Farmer to sell his hay, and there are also circumstances under which it is best and most profitable for him to do so. Let the farmer say which he prefers, an open market right at his door, or a market four thousand miles away.

The hay crop in the Eastern States for the year 1911 is exceptionally small. Fortunately in Eastern Ontario, Western Quebec, and the Maritime Provinces we have a very large crop of hay of the very best quality. With Reciprocity the Canadian Farmer will be able to sell his hay in the Eastern States at a high price and at the same time save the \$4.00 a ton duty. Within the past month the price of hay in the Eastern States has taken a tremendous jump.

POTATOES.

Potatoes of the highest quality are grown in large quantities in Eastern Canada. The American Duty on Potatoes going into that country is 25 cents per bushel, but notwithstanding this great handicap in 1910 the farmers of Canada sent to the United States 6,944,1 bushels of Potatoes and paid on each bushel a duty of 25 cents or a total of \$169,850. Now, how would the Canadian farmer like the major portion of that \$169,850 included in his profits? That is just what Reciprocity in natural product will do for him.

There is absolutely no market in England for Canadian potatoes. As a matter of fact in 1900 Great Britain exported to the United States \$2,315,218 worth of potatoes. Naturally the United States Market is our best Market.

FRUIT AND VEGETABLES.

Delegations of market gardeners and fruit growers numbering several hundreds—inspired by canners and wholesalers on the lookout for large profits—have come two or three hundred miles to Ottawa to protest to the Government against freer trade with the United States for their products, although the trade returns show that in the last twenty-five years they have met the conditions of a higher tariff against them, and have increased their exports of fruits and vegetables in that period by more than \$70,000,000 and all this time no outcry has been heard from the farmers of the country whose market for barley had been destroyed by the operation of the United States tariff, bringing upon them a loss of more than \$90,000,000 in seventeen years, three-fourths of which has fallen upon the province of Ontario.

BARLEY.

This subject needs no introduction. The Canadian farmer well remembers when he was able to sell his barley to the United States. He remembers also when the duty was raised and his market practically shut off.

The following table is an evidence of this:—

Quantity and value of Barley (Canadian product) exported from Canada to the United States during the fiscal years 1876—1909.

Year	Quantity	Value	Year	Quantity	Value
	Bushels	\$		Bushels	\$
1876	10,164,551	7,426,827	1893	1,431,398	638,271
1877	6,243,033	4,503,117	1894	493,551	216,493
1878	6,498,444	3,787,718	1895	1,674,193	706,586
1879	5,193,324	4,643,048	1896	787,787	297,438
1880	6,732,403	4,184,007	1897	1,246,343	371,633
1881	8,724,931	6,272,998	1898	84,083	28,867
1882	11,577,251	10,105,556	1899	122,374	59,158
1883	8,741,626	6,245,263	1900	164,468	77,754
1884	7,700,581	5,054,144	1901	190,547	85,927
1885	9,028,314	5,477,441	1902	17,461	9,499
1886	8,528,287	5,708,130	1903	37,112	17,148
1887	9,437,717	5,245,968	1904	86,175	39,036
1888	9,360,521	6,488,317	1905	101,111	46,225
1889	9,934,501	6,454,603	1906	47,245	21,645
1890	9,939,745	4,582,561	1907		
			(9 mos.)	19,094	8,258
1891	4,752,953	2,849,269	1908	210,788	139,573
1892	2,721,168	1,354,485	1909	266,096	144,660
Totals for the 17 yrs.	135,279,351	90,323,435	Totals for the 17 yrs.	6,979,826	2,908,171

The low duties imposed by the United States on barley enabled the farmers of Canada to send to that country in the seventeen years 1876-1892 an aggregate of 135,279,351 bushels, valued in the trade report at \$90,322,453; and the high duties of the succeeding seventeen years brought the aggregate export down to 6,979,826 bushels, valued at \$2,908,171.

In the first period the average price computed from total values was 67 cents per bushel, under a tariff ranging from 10 to 15 cents per bushel; and in the second period, under a tariff ranging from 30 cents per bushel to 30 per cent. ad valorem, the average price was only 42 cents per bushel.

A report on the malting quality of barleys made during this period by exports of the United States Department of Agriculture showed that the Canadian grain was the finest grown anywhere in America, and was only surpassed in the world by the barley grown in Bavaria in the south of Germany.

In considering the large production in the United States it must be remembered that the bulk of their crop is fit for feeding only and that the production of malting barley has been steadily declining. In this connection the U. S. Tariff Board (Document No. 84, on Reciprocity with Canada, February 28th, 1911) in their report to the President, make the following statement:—

"Our best malting barleys are grown in the extreme West. A small quantity of excellent barley is also grown in the Rocky Mountain region. The Barley of the Northeast is of an inferior quality and is grown largely for feeding purposes. The barley of California is not shipped to the domestic markets in the East except when the price is unusually high. What is not used locally is exported."

"In most of our barley-producing regions there has been an apparent decline in the quality of the barley raised as a larger and larger proportion has been fit only for feeding. This is said to be due to carelessness in seed selection, and to failure to maintain soil fertility."

"While the amount of barley produced has increased enormously an increasing proportion of the crop is undesirable for malting."

"The actual situation in the United States is best shown by the following table. It is seen that only five States are important producers of malting barley in the region east of the Rocky Mountains. Four of these States show a marked falling off, 22,000,000 bushels in the crop of 1910 from the crop of 1909, or a loss of 21.4 per cent., while if comparison is made with the ten-year average a loss of 20.9 per cent. is apparent. The average yield per acre in 1910, except in the State of Iowa, is less than the ten-year average."

Table 18—Statistics of Barley Production for 1910.

(From the Brewers' Journal, Nov. 1, 1910).

States.	Production.
Wisconsin	22,429,000
Minnesota	28,142,000
Iowa	13,420,000
South Dakota	18,582,000
North Dakota	5,626,000
Total	88,199,000

"The shortage of malting barley has become more and more pronounced every year, and prices have steadily advanced."

Let us compare the Canadian Barley markets with the American Barley markets and see how much more favorable are the American markets.

The following statement shows the Wholesale Price of **Malting Barley**, at Minneapolis, Buffalo, Milwaukee, Toronto and Winnipeg each week from July 6th, 1910, to April 12th, 1911. (Quotations from the Northwestern Miller, Minneapolis, and the Grain Growers' Guide, Winnipeg).

DATE.	Minneapolis.	Buffalo.	Milwaukee.	Toronto.	Winnipeg.
	Best	Best	No. 2	No. 3	No. 3
	Malting. Per bush.	Malting. Per bush.	Per bush.	Per bush.	Per bush.
1910—July 6.....	62	64 - 69	66 1/2 x 67	51 - 52	45
" 13.....	68	68 - 70	67 - 72	51 - 52	48 1/2
" 20.....	67	75 - 77	75 - 76	51 - 52	52
" 27.....	65	70 - 74	70 - 76	51 - 52	50
Aug. 3.....	64		65 - 68	51 - 52	No quotation.
" 10.....	69	65 - 70	67 - 69	51 - 52	"
" 17.....	73	70 - 76	70 - 73	51 - 52	"
" 24.....	69	73 - 77	75 - 76	52 - 54	"
" 31.....	68	72 - 77	72 - 74	52 - 54	"
Sept. 7.....	67	73 - 75	70 - 73 1/2	52 - 54	46 1/2 - 47
" 14.....	70	71 - 73	69 - 72	52 - 54	46
" 21.....	71	74 - 78	71 - 74	48 - 50	46 1/2
" 28.....	68	73 - 78	72 - 74	55 - 56	47
Oct. 5.....	70	72 - 77	70 1/2 - 72 1/2	55 - 56	47
" 12.....	72	76 - 80	70 1/2 - 75	55 - 60	47 1/2
" 19.....	71	78 - 82	73 1/2 - 76	53 - 56	46 1/2
" 26.....	68 1/2	76 - 80	72 - 75	53 - 56	46 1/4
Nov. 2.....	71	75 - 76	71 - 75	53 - 56	43
" 9.....	75	77 - 82	72 1/2 - 76 1/2	55 - 60	46
" 16.....	75 1/2	81 - 85	79 - 81 1/2	55 - 60	47
" 23.....	76	81 - 82	77 1/2 - 82	57 - 62	47
" 30.....	75		76 - 80 1/2	56 - 60	..
Dec. 7.....	83 1/2	82 - 85	76 1/2 - 83	58 - 62	46
" 14.....	80		87 1/2 - 90	58 - 62	46 1/2
" 21.....	80	86 - 90	84 - 88 1/2	58 - 60	47
" 28.....	79	87 - 93	83 - 85 1/2	58 - 60	..
1911—Jan. 4.....	88	93 - 97	80 - 86	58 - 60	47
" 11.....	91	97 - 100	87 - 92	58 - 60	49
" 18.....	90	97 - 100	92 - 100	58 - 60	50
" 25.....	90	94 - 98	91 - 97	58 - 60	49 1/2
Feb. 1.....	87	95 - 100	89 1/2 - 94	60 - 62	49 1/2
" 8.....	84	88 - 95	90 - 95	60 - 62	49 1/2
" 15.....	94	91 - 95	85 - 88	65 - 68	57
" 22.....	..	93 - 96	92 - 95	65 - 70	57
Mar. 1.....	92	94 - 100	89 - 96	65 - 70	57
" 8.....	90	98 - 104	92 1/2 - 97	65 - 70	No quotation.
" 15.....	93	96 - 102	97 - ..	63 - 66	"
" 22.....	99	69 - 102	97 - 100 1/2	63 - 66	58
" 29.....	107	111 - 113	100 1/2 - 112	60 - 63	..
Apr. 5.....	103	110 - 114	105 - 115	63 - 67	70
" 12.....	..	109 - 112	104 1/2 - 112	63 - 67	70

*Quotations in store Fort William and Port Arthur.

SUMMARY.

Based on the above quotations the average price in each market for the period July 6th, 1910, to April 12th, 1911, was as follows:—

Minneapolis.....	78.6 cents per bushel
Buffalo.....	85.7 cents per bushel
Milwaukee.....	82.4 cents per bushel
Toronto.....	57.8 cents per bushel
Winnipeg.....	50.0 cents per bushel

Now, by the tables given above it is evident we have an opportunity to renew the prosperity of the Canadian Barley Grower without in any way threatening or injuring his loyalty and his patriotism.

Summary of Comparative Prices of Dairy Produce, in Canada and the United States.

Making a summary of a list of comparative prices which has just been published by the Honourable Sydney Fisher, Minister of Agriculture, it is shown conclusively that the prices are much higher in the American market than they are in the Canadian market. These prices have been taken from the best market quotations available. They are entirely unbiased and not cooked in any way, and have been prepared for the purpose of drawing deductions. The quotations given can be relied upon as being absolutely correct.

CHEESE.

Year	Market	Average price during year. c.	Year	Market	Average price during year. c.
1906	Montreal..	12.53	1909	Montreal..	12.11
	New York...	13.33		New York...	14.68
	Boston...	13.22		Toronto...	13.36
	Chicago..	12.69		Chicago...	15.03
1907	Montreal..	12.62	1910	Boston...	14.87
	New York...	14.16		Montreal..	11.68
	Toronto	13.40		New York...	15.90
	Chicago..	14.16		Toronto...	12.41
	Boston...	14.20		Chicago...	15.57
1908	Montreal...	12.85	1911	Boston...	15.62
	New York...	13.77		Montreal..	12.00
	Toronto..	13.33		Jan. New York...	14.48
	Chicago..	12.87		to Toronto...	14.05
	Boston...	14.13		May Chicago...	14.81
				Boston...	14.12

Out of a total of 135 quotations on Cheese, it shows that the American price was higher 112 times, the Canadian price higher 21 times and the prices were equal twice.

BUTTER.

Year	Market	Average price during year. c.	Year	Market	Average price during year. c.
1906	Montreal...	22.85	1909	Montreal...	23.71
	New York...	23.37		New York...	28.82
	Toronto...	23.62		Toronto...	25.50
	Chicago...	24.68		Chicago...	28.12
	Boston...	24.73		Boston...	29.38
1907	Montreal...	24.60	1910	Montreal...	24.98
	New York...	28.67		New York...	30.57
	Toronto...	25.41		Toronto...	26.38
	Chicago...	26.61		Chicago...	29.95
	Boston...	27.61		Boston...	30.47
1908	Montreal...	27.09	1911	Montreal...	25.34
	New York...	26.97		Jan. New York...	23.25
	Toronto...	27.00		to Toronto...	25.94
	Chicago...	26.58		May Chicago...	24.26
	Boston...	26.95		Boston...	26.86

Out of a total of 203 quotations on Butter, it shows that the American price was higher 135 times, the Canadian price higher 59 times, and the prices were equal 9 times.

HAY.

Year	Market	Average price during year. c.	Year	Market	Average price during year. c.
1906	Boston...		1909	Boston...	18.19
	Halifax...			Halifax...	11.38
	New York...			New York...	
	Montreal...	9.97		Montreal...	12.99
	Chicago...	12.19		Chicago...	14.52
	Toronto...	9.70		Toronto...	12.91
1907	Boston...		1910	Boston...	22.02
	Halifax...			Halifax...	13.37
	New York...			New York...	22.41
	Montreal...	15.37		Montreal...	13.57
	Chicago...	15.87		Chicago...	12.14
	Toronto...	14.19		Toronto...	13.58
1908	Boston...	18.63	1911	Boston...	21.39
	Halifax...	15.07		Jan. Halifax...	11.00
	Montreal...	13.32		to New York...	23.58
	New York...			May Montreal...	11.75
	Chicago...	11.81		Chicago...	18.25
	Toronto...	13.01		Toronto...	12.41

Out of a total of 97 quotations on Hay, it shows that the American price was higher 85 times, the Canadian price higher 12 times, and the prices were equal 6 times.

LIVE HOGS.

Year	Market	Average price during year. c.	Year	Market	Average price during year. c.
1910	Chicago...	9.03	1911	Chicago...	7.29
	Toronto...	8.80	Jan.	Buffalo...	7.50
	Buffalo...	9.75	to	Toronto...	7.06
	Montreal...	8.22	May	Montreal...	7.09

Out of a total of 66 quotations on Live Hogs it shows that the American price was higher 60 times, the Canadian price higher 5 times, and the prices were equal once.

LIVE CATTLE.

Year	Market	Average price during year. c.	Year	Market	Average price during year. c.
1910	New York...	6.30	1911	New York...	6.23
	Buffalo...	6.40		Buffalo...	4.76
	Montreal...	8.23	Jan.	Montreal...	6.26
	Winnipeg...	5.05	to	Winnipeg...	5.90
	Chicago...	6.60	May	Chicago...	6.01
	Toronto...	6.51		Toronto...	6.22

Out of a total of 111 quotations on Live Cattle, it shows that the American price was higher 97 times, the Canadian price higher 8 times, and the prices were equal 6 times.

DRESSED POULTRY.

Year	Market	Average price during year. c.	Year	Market	Average price during year. c.
1910	Montreal...	13.35	1911	Montreal...	12.35
	New York...	18.90	Jan.	New York...	17.30
	Toronto...	16.00	to	Toronto...	17.25
			May.		

Out of a total of 28 quotations on dressed Poultry it shows that the American price was higher than the Canadian price in each case.

EGGS.

Year	Market	Average price during year. c.
1906	Halifax...	17.40
	Montreal..	20.20
	Toronto..	17.10
	Boston...	21.30
	New York...	21.40
	Chicago...	19.20
1907	Halifax...	20.06
	Montreal..	23.33
	Toronto...	21.30
	Boston...	21.61
	New York...	22.00
	Chicago...	19.09
1908	Halifax...	19.54
	Montreal..	22.45
	Toronto..	15.3
	Boston...	22.29
	New York...	23.90
	Chicago...	15.65

Year	Market	Average price during year. c.
1909	Halifax...	22.30
	Montreal..	23.40
	Toronto..	23.40
	Boston...	25.00
	New York...	25.12
	Chicago...	23.91
1910	Halifax...	21.29
	Montreal..	24.80
	Toronto...	24.00
	Boston...	26.00
	New York...	24.40
	Chicago...	24.00
1911	Halifax...	
	Jan. Montreal..	25.00
	to Toronto..	22.10
	May Boston...	23.10
	New York...	29.90
	Chicago..	18.50

Out of a total of 127 quotations on Eggs, it shows that the American price was higher 71 times, the Canadian price higher 50 times, and the prices were equal 6 times.

The reader will doubtless discover that in the above statements giving the comparative prices of Butter and Eggs, that in January, 1911, the American prices began falling off and in many instances the Canadian prices for these two commodities were higher. This is only natural. For some time past the large produce dealers and Cold Storage Companies in the United States have, at the time of the year when butter and eggs were the cheapest, purchased large quantities and placed them in Cold Storage. They would then keep these products until the market advanced and unload at enhanced prices. This year, in view of this reciprocity agreement and the possibility of it coming into force before the summer months, the produce dealers and Cold Storage people became frightened and preferred slaughtering their goods at a time when prices were fairly high, than waiting until Canadian produce was placed in competition with theirs. The result has been that prices have dropped. To-day, however, the condition of affairs is righting itself. Their surplus stock has been disposed of and even during the past month prices in the United States have materially advanced.

It has been stated verbally and by correspondence, that the American Produce Dealers, the moment this agreement is passed, will immediately send their representatives into our Canadian markets for the purpose of buying our Canadian produce.

Let us quote a few extracts from American importers.

The Frank Simpson Fruit Co., of Los Angeles, California, writes:—"In view of the prospect for reciprocity, there will no doubt be considerable demand for Canadian butter, eggs and cheese, providing conditions warrant merchants in this section drawing on Canadian dairymen and shippers.

"We are particularly interested in cheese and in the event that the reciprocity agreement is reached through the Extra Session of Congress, we think it very probable that many houses in the United States will look to Canada for supplies in that line."

This seems to cover pretty completely, as far as the Eastern Farmer is concerned, the advantages from the selling point of view, that he will have by the removal of Duties on his products when going into the United States.

HOME MARKET AND FOREIGN MARKETS.

The opponents of Reciprocity laud the home market and talk about the Canadian home market as the best. In this they are quite right. A Home Market, in a general way, is the best place because it is the nearest and most convenient and is one in which there is the least obstruction to the trade. This has been acknowledged in a most remarkable way by one of the leading Conservative Members of the House of Commons, Mr Jos. E. Armstrong, of Lambton, who in an open letter to the press stated as follows:—

"In the case of the Wyoming Plant in which our Company has a half interest, the whole milk is taken and skimmed at the plant, the skim milk being made into casein, and the sweet cream shipped to the United States, during the summer months, for ice cream purposes. In this connection, we might state that we were offered as high a price for our sweet cream at Toronto, but the American Market being nearer we accepted their quotation for the small amount required, on account of much cream having arrived in Toronto formerly in a sour condition owing to the great distance."

Mr Armstrong may squirm and wiggle all he likes, the fact is on record that he and his leader, Mr R. L. Borden, and the whole Conservative Party have for the past six months bitterly opposed the Canadian farmer being given access to this American market, a market which he himself has been enjoying. There are a whole lot of Farmers in Canada who live nearer the American market. Why does the Conservative party stand in their way?

Canada is a very large country, and the home market of Canada at one end of the continent is very far away from the home producer at the other end, even sometimes within the same province. The producer in Ontario might easily be from five hundred to seven hundred miles away from the consumer in Ontario. The producer in Ontario, Quebec and the Maritime Provinces is within four hundred or five hundred miles from twenty to thirty millions of people in the Eastern States—the richest and best consuming population in the world. With no duties imposed on his produce, these people stand, for all practical commercial purposes, in exactly the same relation to him as his home market, and the praise which is lavished on the home market by the enemies of Reciprocity must be accorded to this market. The

Canadian Farmer gets all the advantages of the American market without sacrificing anything of his political status or independence. This is the reason why the farmers of the American Union have made such a tremendous fight against the adoption of the Reciprocity pact by the American Congress. They say that the Canadian Farmer, as far as the disposal of his produce is concerned, is getting all the advantages they enjoy without having any of the responsibilities of American citizenship. Quite true.

These facts make it very evident that the Agreement is to the interest of the Canadian Farmer and must induce him to support Reciprocity.

WHAT ARE THE OBSTACLES HELD UP TO THE FARMER TO FRIGHTEN HIM FROM ACCEPTING RECIPROCITY?

From an economic point of view there is but one—that in his own home market he will have the competition of the United States farmer, and, by reason of the Favoured Nation Treaties of the British Empire with certain other countries the free entry of their similar products into the Canadian market.

Dealing first with the United States products the comparison of prices above indicated show there will be no inducement to the American farmer to sell his produce in Canada. It may be that in a few instances, where local or climatic conditions are paramount, some American produce will come into Canada under the Reciprocity pact, just as it does to-day. It is true that a considerable amount of farm produce comes from the United States into Canada and pays the duty, just as we send a considerable amount of farm produce into the United States and pay the duty; that in some parts of Canada animals are brought in and the duty paid, just as we now send a considerable number of our animals into the United States. The only change will be that the Canadian consumer, when it is convenient for him and his advantage locally, will have the advantage of being able to buy from the United States without the burden of the duty, just as the United States consumer will be able to buy from the Canadian farmers without paying a tax upon his food. But the comparison of prices makes it evident that the temptation will be for the Canadian farmer to send his produce to the higher market in the United States, and that there will be no temptation for the American farmer to send his produce to the lower market of Canada.

FAVOURED NATIONS.

Of these favoured nations the Argentine is the one constantly quoted by the opponents of Reciprocity. The other nations, outside the Empire, have practically no produce to send here. The Argentine has free entry into the British market just as we have. It has direct steamship communication, lines of transport thoroughly established, both in carrying produce from the Argentine to Great Britain and in carrying manufactured articles on the return from Great Britain to Argentine. The distance from the Argentine to Great Britain is about the same as from Argentine to our Atlantic Coast. The

freight rates are less, and must always be less, from the Argentine to Great Britain, than they can be from the Argentine to Canada, by reason of the much greater trade and the freight both ways. For years back we have been competing with the Argentine produce on the British market. We have been able to hold our own in the past and we believe we shall be able to hold our own in the future in the British Market, which, the opponents of Reciprocity have insisted, is the best market for Canadian produce. We have the expense of sending our goods to Great Britain and competing there. If the Argentine were to undertake to send their produce into Canada, to compete with our own production here, the expense of delivery to them would be greater than the expense of delivery now in Great Britain. Our expense of delivery in our home market would be much less than the expense of sending our produce and delivering it in Great Britain. We, therefore, would have a condition of competition more favourable on both these accounts than has been the competition in Great Britain; and it is absurd to suppose that, under these conditions, the Argentine producer could compete with any possible success against the Canadian producer in his own home market.

It is said that live cattle can come to Canada from the Argentine. There is much disease amongst the animals of that country, and for years the Argentine has been forbidden to land live cattle in Great Britain or Canada. Our Quarantine laws are strictly enforced. They will be just as strictly enforced under Reciprocity as they are to-day, and there seems to be no prospect at all that live animals from any of the favoured Nation countries will be permitted to be landed in Canada in the future any more than in the past.

FAVORED NATION TREATIES TO BE ABROGATED.

At the Imperial Conference Sir Wilfrid Laurier secured an arrangement for the abrogation of these favoured nation treaties. To-day Canada is hampered in commercial tariff arrangements, and is forced, by reason of these old treaties which were made, before Canada became a nation, by the Imperial authorities including the colonies, as they were then called, without the colonies having any say therein. This condition is shortly to be remedied. This is the last of the signal triumphs which Sir Wilfrid Laurier has secured in the up-building of the Canadian nation and the recognition of its status and maintenance within the Empire. At the last Imperial Conference, which took place in London in June, 1911, the following resolution was unanimously passed:—

That His Majesty's Government be requested to open negotiations
"with the several foreign governments having treaties which apply to
"Overseas Dominions with a view to securing liberty for any of those
"Dominions which may so desire to withdraw from the operation of the
"Treaty without impairing the Treaty in respect of the rest of the Em-
"pire."

We thus see that not only has Canada, through her Great Leader, secured a further and very important recognition of her authority in regard to

her own affairs, but the practical effect is of the greatest importance; not only in regard to this particular pact between us and the United States, but also in regard to the several treaties we have already negotiated, and may in future negotiate, with other countries for the expansion of markets for our own products.

NO SPURIOUS BUTTER OR FILLED CHEESE OR DISEASED ANIMALS TO BE ADMITTED INTO CANADA.

Here let us remark that this same argument applies to the protection of our trade in dairy products, meat products and animals from the United States. The Reciprocity Pact makes no change whatever in our laws against the introduction of spurious butter, or filled cheese, or uninspected meat, or the entry of animals from countries which are affected by disease. We require today that all cattle coming from the United States for breeding or dairy purposes shall be subject to tuberculin test, that all hogs coming from the United States should be quarantined for a period of thirty days. With reference to sheep, those for immediate slaughter are admitted without quarantine, but are carefully watched until killed, those for breeding purposes unless accompanied by an official certificate as regards health are held for thirty days or until the officials of the Veterinary Branch are positive that they are not affected by any contagious disease. These laws will be maintained without reference to the Reciprocity Pact just as long as the health conditions of the animals in Canada and the other countries require it. So much for the competition of these other countries in our own market—the only economic objection that has been put forward to the Reciprocity Pact.

IMPERIALISM.

There are two sentimental objections. One is that we should trade within the Empire. So we should when that trade is the most profitable. The Mother Country has risen to her splendid supremacy in commerce, finance, and industry by trading with all the world, wherever she found it most profitable. Notwithstanding keen controversy upon this subject she has steadily maintained that principle through election after election. If the heart of the Empire maintains that principle certainly the outlying parts may fairly consider themselves entitled to practise it also. In that British market which is held out to us as the best, we compete with all the world, we have no advantages as an integral part of the Empire. Under the Reciprocity Pact as it reads we will have free entry into the United States market, which other countries do not have. The high American duties are against all the world. We by this Pact, have them remitted to us—a distinct and very exceptional advantage in that great market, while we have no such advantage in the British market. Great Britain trades with foreign countries far more than she does with her Dominions, which is proven by the following table:

Great Britain's Imports for the last five years were:

From Canada.....	£15,000,000, or approximately \$ 75,000,000
From United States.....	£63,000,000, or approximately \$315,000,000
From Germany.....	£55,000,000, or approximately \$275,000,000

Great Britain's Exports during the same period (Five Years) were:—

To Canada.....	£12,500,000 or approximately \$ 62,500,000
To United States.....	£23,500,000 or approximately \$117,500,000
To Germany.....	£50,000,000 or approximately \$250,000,000

Evidently there is no necessity in the Imperial interest that one part of the Empire should confine itself to trade with another part. There is no need of the Canadian Imperialist being more Imperial than the Centre of the Empire itself.

ANNEXATION.

Then it is agreed that greater trade with the United States under this Reciprocity Pact will lead to annexation. The experience of history refutes this argument absolutely. In 1850 there was a strong agitation in Canada for annexation with the United States. Lord Elgin, the then Governor-General, reported to his Government at home that it was absolutely necessary to obtain opportunities for expansion of trade between Canada and the United States so as to check this movement for annexation. Lord Elgin was wise in his day and generation. The annexation movement was for purely economical reasons—that trade was necessary to the existence of the country and that the best way to get it was by joining the American Union. Lord Elgin succeeded in securing the Reciprocity Treaty in 1854, which guaranteed the advantages of trade without the disadvantage of political union; and immediately the desire for annexation disappeared.

But say the opponents of Reciprocity. "If we get these advantages in trade and then the Americans "Put-the-screw-on" by threatening to put an end to the arrangement our people would be tempted to go in for annexation so as to continue the enjoyment of the benefits." This is an extraordinary argument for men who claim that there are no benefits. It is indeed a complete surrender of the opposition to Reciprocity. Here again history proves the contrary to this statement. In 1866, when the Americans repealed the former Reciprocity Treaty there was no demand on the part of anybody in Canada for annexation, although there was a universal acknowledgment of the loss the country sustained. We had a somewhat similar example a little later on. From 1866 to 1890 the Canadian farmers sold a very large quantity of barley in the United States under a moderate duty. By the McKinley Bill, passed in 1890, the duty on barley was raised to an almost prohibited figure. This resulted in the practical destruction of the trade. The Canadian farmer during the 17 years before 1892 sold 135,279,351 bushels of barley to the United States at an average price of 67c. In the 17 years afterwards he was able to sell only 6,908,171 bushels of barley at 42c. per bushel. This was a hard blow. There

is no doubt, that one object of the high tariff against Canadian farm produce imposed by the McKinley Bill was to coerce Canada into annexation. The farmers, however, were not to be coerced and notwithstanding the great financial loss, as shown by the figures above, there was absolutely no suggestion made that Canada should, for the sake of this loss, surrender her National existence and join the American Union. No.

If Reciprocity comes about and proves to be a great boon (as it is evident it will) commercially and financially to this country, a threat on the part of the American people that they would force us into annexation by repealing it would be met by a patriotic proud people like the Canadians with the same answer that was given in 1890. "We like your trade and we are glad to continue it, but if you refuse it we shall get along without you."

TRADE.

But why should trade lead to annexation? Everybody will acknowledge that Canadian Imperial feeling, and patriotic self confidence in the Country and the Nation, has greatly increased in the last 15 years. But what has been our trade? Has it been all with the Mother Country? Have we not traded with the United States? Have we been sending all our export produce to the Mother Country, or to other countries than the United States? No. Notwithstanding the high duties against our products going into the United States notwithstanding the free entry of our products into the Mother Land, we have all the time traded more with the United States than we did with the Mother Land. For the last few years our miners have exported about eighty-five per cent. of their surplus products to the United States and only six per cent. to Great Britain.

Here is a condition of affairs which, if the argument of those opposed to Reciprocity has any foundation ought to have led to a strong feeling for annexation in the country. Are our Canadian Miners disloyal or annexationists because they have sold \$33,350,000 worth of minerals to the United States and only \$6,726,015 to the Mother Country?

So much for the Exports.

Take again the Imports. We have imported for home consumption from the United States and Great Britain during the last five years the following:

	From Gt. Britain	From United States
1907.....	\$ 64,581,373	\$ 155,943,029
1908.....	94,959,471	210,652,825
1909.....	70,682,944	180,026,550
1910.....	95,350,300	223,501,800
1911.....	107,936,462	284,934,730
Totals.....	\$435,510,550	\$1,055,058,952

People who have bought these goods from the United States are many of them amongst those who oppose Reciprocity. Do they think it disloyal and

fear it will lead to annexation? How is it they are trading with these Americans?

The Manufacturers of Eastern Canada buy their Coal from Pennsylvania, not from Nova Scotia, Alberta, or British Columbia. The Cotton Manufacturers of Canada buy their Cotton from the United States, not from Egypt or India where it is raised in large quantities, under the British Flag, and within the Empire. Are they disloyal or annexationists? No. They are sound, true Canadians buying and selling where they can make the most out of their industry, and for the benefit of themselves, their families, and their Country, but surely if that is true of them the Canadian farmer may be trusted to sell a few more Horses or Sheep, or Pounds of Butter, or Bushels of Wheat, or Barley to the American and not become disloyal and annexationists. The facts have only to be stated to show the utter absurdity of this cry.

Having thus shown the main economic reasons in favour of the Pact, and the absurdity and unsoundness of the main appeals against it, these latter seem to show that there must be some further reason for the opposition which has been so persistently and so obstructively made.

I can quite understand that the present purchasers of our Canadian produce, i.e. the Packers, the Dairyhandlers, the Millers, the Grain Dealers, and the Fish dealers on the coasts should object to the American buyer entering their Preserve, which, up to the present time, they have practically controlled.

It is well understood that the Wm. Davies Co., and a few other packing Houses in Ontario and Montreal practically fix the price which the Farmer is to get for his Cattle, or his Hogs. It is well known that Mr. A. A. Ayer and a few other dealers in Montreal practically fix the price which the Canadian Dairyman is to get for his Butter, or his Cheese. It is well understood that the dealers in Fish in Coast Cities practically fix the price the Fisherman is to get for his catch.

These people, comparatively few in number, but with a thorough understanding amongst themselves, are greatly incensed at the idea that the American buyer is coming into their market to compete with them, and, probably buy at a higher price than they have paid or want to pay in the future.

Let us just for a minute see what a large English Importer of butter and frozen and chilled meats, by name Mr. Samuel Lowe, of Messrs. W. Weddell & Co., Ltd., London, England, has to say:

"The Reciprocity Treaty between ourselves and the United States seems to me likely to change the course of events to the better of Canada. If the Treaty becomes law then Canada will have two buyers instead of one and that is a position that is always to the advantage to the seller."

"If Canada sends us less it will be because she has found a better market elsewhere and therefore the Treaty must be beneficial to her and her people."

consistently until the Liberals came into power attempted to get from the United States just such Reciprocity. It is another instance of the present leaders turning their backs on the policy of their predecessors. When the Tory party was strong, vigorous and successful under men like Sir John MacDonald, Sir Charles Tupper, and Sir John Thompson, it was strongly in favour of Reciprocity. To-day, torn by dissension, uncontrolled by its leaders, and weakened by mistakes, it keeps up a persistent, factious, and unreasoning obstruction to this arrangement.

It has succeeded in forcing an election because, under the present Rules of Debate in the House of Commons, a small minority can effectually block all public business. There has been for some time a feeling that the Rules of the Canadian Parliament require revision so as to remove public business from this difficulty. All other representative bodies amongst the great nations of the world have regulations by which obstruction may be checked. It is evident by this last, but by no means only evidence of the evils of obstruction, the Rules of the House must be changed, and an opportunity be given for more prompt and expeditious transaction of the public business, with less waste of time by useless repetition and endless talk, and if the Liberal Party is returned to power at this Election—the rules will be changed to that end.

The Opposition are putting forward a lot of Fly Sheets. Some ingenious, some containing simply wild appeals, and many disingenuous and incorrect in their statements. One of these entitled "An appeal to the British Born" tries to raise the prejudice of those Canadians who happen to have been born within the four seas of the Mother Land. As a matter of fact, the words "British Born" applies just as much to Canadian Born as it does to English Born, Scotch Born, or Irish Born. The British Born are all those who came into the world under the British Flag, and within the British Empire. It matters not whether the accident of birth took place in Canada, Australia, New Zealand, Great Britain, or Ireland.

The intention of this Pamphlet "British Born" is to arouse the prejudice of the newcomer from Britain into Canada against Reciprocity. The whole Pamphlet turns around a quotation of Sir John MacDonald "A British Subject I was born, a British Subject I will Die"—a sound good sentiment shared in by practically every man, woman and child who is fortunate enough to have been born within the British Empire, and believed in by no people more faithfully than the average Canadian.

This is quoted as an appeal against Reciprocity, but those who use the quotation forget that in the very election in which Sir John uttered that sentence he did so in his manifesto asking the endorsement of the Canadian people for his Government to go to Washington to secure just exactly the same Reciprocity as is now before the Canadian people. If there was any force or sentiment in that sentence of Sir John MacDonald at that time, the same force and the same sentiment is in favour of the Government who to-day have secured what he was then seeking, and what his successors in the Con-

But, it seems extraordinary that the manufacturers who sell Fifty per cent. of their surplus produce to the Americans, or lumbermen who sell Sixty-five per cent., or miners and handlers of mineral products who sell Eighty per cent. should have the audacity to object to the farmers and fishermen also selling a large proportion of their products to the United States. When we have capitalists who are constantly investing their capital and lending their Money in the United States objecting to greater trade with the United States, and saying it is disloyal and will lead to annexation, the insincerity and dishonesty of their attitude must be apparent.

What has this obstructionist Conservative party done to promote trade relations with the Mother Country? Shortly after the Liberal Government came into power they adopted the preferential Tariff, making it more advantageous for Great Britain to trade with Canada. The Conservative party and the men who are opposing Reciprocity to-day objected to this preferential Tariff. When this preferential Tariff had been in operation for some time and, therefore, could not be looked upon as an experiment, Mr Benjamin Russell, M.P. for Halifax, on a motion before the House to resolve itself into a Committee of Supply, moved an amendment, and after a most instructive speech asked the House to pass the following resolution:

"That the House regards the principle of British preference in the Canadian customs tariff as one which in its application has already resulted, and will, in increasing measure, continue to result in material benefit to the Mother Country and to Canada, and which has already aided in welding, and must still more finally weld together the ties which now bind them, and desires to express its emphatic approval of such British preference having been granted by the Parliament of Canada."

This was an endorsement after experience of the Policy of preference to the Mother Land, and its passage practically made the Policy a permanent one. What was the record of the Conservative party on that occasion? The Right Hon. Sir Charles Tupper made a long speech against the adoption of this resolution. The Hon. Geo. E. Foster placed himself on record in no uncertain terms. Other leading members of the Conservative party also spoke against the resolution, and eventually on March 20, when a vote was taken on Mr. Russell's amendment we find that Mr. R. L. Borden, now the Leader of the Opposition, the Hon. Geo. E. Foster, and other Conservative Members of the House voted against the resolution, or in other words against closer trade relations between Canada and the Mother Country. It so happened that the Rt. Hon. Sir Charles Tupper was absent from the House when the vote was taken, but the record shows that he was paired in opposition to the resolution.

CONSERVATIVE OBSTRUCTION, OR WHY THE AGREEMENT WAS NOT PASSED.

There seems no possible ground left on which the Opposition can be based, except that of Party Opposition. That the Opposition should thus lack us seems all the more extraordinary inasmuch as the Tory party has

servative party are now trying to prevent.

For economic reasons, for sentimental reasons, for imperial reasons and for Canadian reasons Reciprocity is a good thing and ought to be adopted.

Mr. Borden as the Leader of the Conservative party says he is unalterably opposed to it. Anybody who is in favour of it, or believes in the progress and welfare of Canada must therefore vote against him, and in favour of the candidates of the Liberal Government.

Financial Administration.

No part of the record of the Liberal Government appears in a more favorable light than that pertaining to the finances of the country. Every Liberal should be immensely proud of it. It will warrant the closest criticism, and the more closely it is looked into the more clearly will it be seen that the administration has been prudent and sound.

Strong efforts have been made by Conservatives to alarm the public as to the state of the finances. Toward that end the most reckless and extravagant statements have been made, figures have been grossly exaggerated, and estimates have been palpably stuffed, all with the idea of confusing and beclouding the public mind. It is truly said that figures cannot lie, but it is equally true that persons who are not scrupulous as to the truth can figure.

It is therefore proposed in this article to give a clear statement of actual facts taken from the Government official publication, so that the general public may get a correct understanding of the situation. It will be obviously impossible within the limits of an article of this kind to fully explain every item of expenditure. We shall therefore content ourselves by showing and explaining the expenditure under its main heads.

In 1896, when the Liberal Government took office, the national finances were by no means in a rosy condition. For a number of years back there had been a series of deficits.

Deficits.

1896.....	\$ 330,551
1895.....	4,153,875
1894.....	1,210,332

The Public Debt has also been largely added to each year.

Additions to Net Public Debt.

1896.....	\$5,422,505
1895.....	6,891,897
1894.....	4,501,989
1893.....	549,605
1892.....	3,322,403

As a matter of fact during the 18 years the Conservatives were in power they increased the public debt by no less than \$118,000,000.

The Customs Tariff—the principal source of revenue—was then high and bore heavily and unequally upon the people.

The people were clamoring for reduced postal rates—another important source of revenue—but in view of an annual deficit in the finances of the Post Office Department, amounting to, on the average, \$750,000 a year, the Finance Minister shut the door on their faces and declined to make the reduc-

tion. With such a poor financial showing, our national credit was not as high as it ought to have been and that told against Canadians seeking money in the London market for their industrial enterprises.

The British Government would not (although Sir Charles Tupper strenuously tried to persuade them for years) place Canadian Government securities on the favored trustee list in Great Britain, which comprises only the most gilt-edged securities. Securities admitted to that list usually command from two to three points more.

The plain truth is that Canada was then in very bad shape. The country was travelling in a limited and constricted business circle and seemed unable to pierce through to the greater circles beyond, which spell a greater Canada.

The Liberals promptly addressed themselves to the task of remedying the state of affairs, and to state that they have succeeded is to state only the actual bare fact. The degree of success achieved has been of a very high order.

First, they reduced taxation, believing that reduced rates of customs duties would mean increased imports, more life to business and greater revenue.

The rate of customs taxation in 1896 was 18.28. That is to say, \$18.28 were levied on the average on every hundred dollars worth of good imported into the country for Home consumption.

Under the Liberal Tariff the rates have been as follows:

1897.....	\$17.87
1898.....	16.95
1899.....	16.70
1900.....	15.98
1901.....	16.06
1902.....	15.99
1903.....	15.87
1904.....	16.28
1905.....	16.04
1906.....	16.07
1907.....	15.66
1908.....	16.27
1909.....	16.11
1910.....	16.24
1911.....	15.87

If the Conservative rate of \$18.28 in 1896 had been levied upon all the imports since that year, nearly \$75,000,000 more customs duties would have been paid by the people. That is the measure of the reduction in customs taxation, and of the saving to the public.

Postal rates on letters mailed to places in Canada, United States, the Empire, on drop letters in cities and on newspapers, were very substantially reduced, as every Canadian knows. Here again the wisdom of the Government was manifested. The reduced postal rates, coupled with the progress

of the country, brought about a greatly increased volume of correspondence —(a good thing for business), and consequently swelled the postal revenue. The increased revenue of this Department quickly made large surpluses give place to huge deficits.

Concurrent with the greasing of the wheels of industry and commerce b- reducing the burden of taxation, the Government entered upon a bold constructive policy of building up Canada and of making its great potential wealth known among the other nations of the world. Our greatest want was more population. By a vigorous immigration policy immigrants to the number of 1,897,645 were brought into the country in fifteen years, most of whom went on the lands and became producers. The exodus was stopped. Instead of our people going to the United States, as they did in Conservative days, to the number of 1,181,255 in about ten years, hundreds of thousands of farmers from that country are now settling in Canada each year. The great Northwest has been rapidly developed, the population there having increased from 419,512 to 808,863 in the first five years of the present decade, and the estimated population, 31st March, 1911, totals 1,330,161. The number of farms also doubled there in the same period—from 54,625 to 122,398 in 1906.

The acreage there in wheat and oats, two staple crops, increased as follows:

1900.....	3,328,856 acres.
1906.....	7,371,932 acres.
1910.....	12,793,400 acres.

In this country with its magnificent distances, transportation is the all important problem to which our statesmen must give their best attention. The Liberal Government quickly recognized this and boldly grappled with the situation. They determined to do everything in their power, without straining the credit of the country, to provide the cheapest and best transportation facilities for our products and our imports. They further aimed to take the fullest advantage of Canada's geographical advantage in the grain carrying trade of the continent.

In the last fifteen years the Government has spent on capital expenditure for the development of transportation facilities no less a sum than \$221,380,008 distributed principally as follows:

Canals.....	\$32,383,408
Extension and development of Government owned Intercolonial Railway..	37,494,815
National Transcontinental.....	95,422,533
Bonuses towards the extension and construction of railways.....	25,269,798
Montreal Harbor, River St. Lawrence and Ship Channel.....	10,746,403

Harbors at Port Arthur, Fort William and Port Colborne.....	4,867,342
Quebec Harbor.....	2,004,431
St. Andrew's Rapids and Red River Im- provements.....	1,429,765

The Crow's Nest Pass Railway was built, opening up the wonderfully rich Kootenay mining regions and providing a splendid market there for the farm produce of the Prairies. The Intercolonial was extended from Levis, a comparatively small place, to Montreal, the commercial metropolis of Canada. Its mileage was increased by purchase of branch lines—299 miles. It has also been brought up to a high point of efficiency, and it is to-day the equal of any railroad on the continent of America. By dredging, lighting and other improvements, the St. Lawrence has been made one of the best, cheapest and safest riverways in the world. Montreal is rapidly being made an up-to-date modern port.

From being away behindhand among other nations in the matter of Marine lighting, Canada was brought up to the first rank and is now recognized to be in the van of progress.

Canal and tonnage dues were abolished.

The Canadian Northern Railway, which is materially helping to build up the West, and which may ultimately develop into a Transcontinental Railway, was substantially aided by bonuses and by guarantee of bonds. It will shortly link up Halifax, Quebec, Montreal, Ottawa and other cities and towns with Port Arthur and Fort William and the far West.

Wharves and breakwaters have been constructed at hundreds of places.

A generous broad-minded policy has been pursued in the matter of erecting Public Buildings. On this account, during the last 15 years, \$32,895,292, have been expended.

The Government have been criticized for spending too much money in small places for buildings, wharves and breakwaters, and too little in cities. The Conservatives forget, however, that the majority of the people of Canada live in small places, and that, by building up these places, and making it easier and more convenient for them to do business, the whole of Canada is undoubtedly benefited.

The construction of the National Transcontinental Railway was entered upon, and is now well under way. Under this head there have been expended, up to the 31st March, 1911, \$95,422,533.44.

A forward policy of subsidizing Steamboats was adopted, and, as a result, many new Steamship services were provided for, notably:

From St. John, N.B., to Glasgow, Belfast and Dublin.

From Montreal and Quebec in the summer, and Halifax and

St. John in the winter, to Manchester.

From Atlantic Ports to France and South Africa.

From Atlantic and Pacific Ports to Mexico.

Generous additional expenditures have been made to directly promote the great agricultural interests of the country by cold storage, refrigeration, improved methods in making butter, cheese, bacons and hams, supervision and care of shipments from the point of production to the British markets, the extension of Experimental Farms, and in a hundred other ways. In this connection the expenditure during the last 15 years amounted to \$11,198,653.16, as compared with \$5,441,607, for the previous 12 year period under the Conservatives.

In the interests of the shipping of the St. Lawrence and the Maritime Provinces, and to promote trade and communication with the outlying districts of the Dominion, the Government Telegraph lines were largely extended. Under this head the expenditure during the last 15 years was \$4,486,182.

In addition to the large and heavy expenditures on public works—as above mentioned—of a productive character, which will return to the people in the future in an ever increasing measure, the Government has kept pace with the development of the country, and has kept all the various Departments of the Dominion in an up-to-date condition.

New Courts of Justice have been established, and others enlarged.

The increasing business of the country has necessitated a very considerable increase in the number of Civil Servants, and consequent increased expenditure therefor.

Law and order have been established in the Yukon.

The Iron and Steel, Lead Mining, Binder Twine and Oil producing industries of the country were encouraged by bounties. The total amount of such bounties paid from 1896 to 1911 inclusive, was \$20,351,891.

Let us look now at the general financial results.

For the period of 15 years from the 1st July, 1896, to the 31st March, 1911, the Revenues of the country exceeded the ordinary expenditure by \$166,166,453.

The average surplus for each year was \$11,077,763.

For the last 15 years the Conservatives were in office, the total ordinary Revenue exceeded the expenditure by \$9,150,197.19. During each of these 15 years the average surplus per annum was \$610,013.14.

The following Statement shows the Surpluses and Deficits for these two 15 year periods:

Year.	15 Years Under Conservatives.		15 Years Under Liberals.	
	Surplus.	Deficit.	Surplus.	Deficit.
1881-82.....	\$ 6,316,351.94			
1882-93.....	7,064,492.35			
1883-84.....	754,255.48			
1884-85.....		\$ 2,240,058.90		
1885-86.....		5,834,571.87		
1886-87.....	97,313.09			
1887-88.....		810,031.26		
1888-89.....	1,865,035.47			
1889-90.....	3,885,893.94			
1890-91.....	2,235,742.92			
1891-92.....	155,977.42			
1892-93.....	1,354,555.95			
1893-94.....		1,210,332.45		
1894-95.....		4,153,875.58		
1895-96.....		330,551.31		
1896-97.....			\$ 519,981.44	
1897-98....			\$1,722,712.33	
1898-99.....			4,837,749.00	
1899-00.....			8,054,714.51	
1900-01.....			5,648,333.29	
1901-02.....			7,291,398.06	
1902-03.....			14,345,166.17	
1903-04.....			15,056,984.12	
1904-05.....			7,863,639.81	
1905-06.....			12,898,719.12	
1906-07.....			16,427,167.20	
1907-08.....			19,413,054.22	
1908-09.....			1,029,171.97	
1909-10.....			22,091,963.81	
1910-11.....			30,006,211.46	

CAPITAL AND SPECIAL EXPENDITURE.

The total amount of Capital and Special Expenditure during the 15 years of Liberal Rule to the 31st March, 1908, amounted to \$283,673,897.05.

The total amount of Capital and Special Expenditure during the 15 years of Conservative rule ended June 30th, 1896, was \$143,356,485.92.

Increase under Liberals, \$140,317,411.12.

PUBLIC DEBT.

When the Tories took office in 1878 the net Public Debt amounted to \$140,362,669, and when they left office in 1896 it had increased to \$258,497,432—an increase of slightly over \$118,000,000, or at the rate of about \$6,500,000 a year, for each of the 18 years they were in power.

The Public Debt at the 31st March, 1911, was \$340,042,052. This means that the Liberals increased the Debt by only \$81,544,620, or at the rate of \$5,436,308 per annum.

If the expenditure on the Trans-Continental Railway had not been incurred, there would have been an actual decrease of the Public Debt, under the Liberals, to the amount of \$13,877,913.41. The expenditure to date on the National Trans-Continental Railway amounts to \$95,422,533.44.

In 1896 the Public Debt per head of the population was \$50.82, and by reason of the increased population brought about largely by the vigorous immigration and business policy of the Government, the debt per capita is now \$43.68.

REVENUE.

In 1896 the total Revenues of the country amounted to \$36,618,590. It had remained within a few millions, more or less, of that figure for 15 years.

Under reduced rates of taxation, as has previously been explained, the Revenues swelled each year under the Liberals, until last fiscal year when they reached the large total of \$117,780,409.78. The following Statement shows the Revenues for each year from 1882 to 1911.

Year	15 Years Under Conservatives.	15 Years Under Liberals
1882.....	\$33,383,455.52	
1883.....	35,794,649.80	
1884.....	31,861,961.73	
1885.....	32,797,001.22	
1886.....	33,177,040.39	
1887.....	35,754,993.25	
1888.....	35,908,463.53	
1889.....	38,782,870.23	
1890.....	39,879,925.41	
1891.....	38,579,310.88	
1892.....	36,921,871.60	
1893.....	38,168,608.85	
1894.....	36,374,693.07	
1895.....	33,978,129.47	
1896.....	36,618,590.72	
1897.....		\$ 37,829,778.40
1898.....		40,555,238.03
1899.....		46,741,249.54
1900.....		51,029,994.02
1901.....		52,514,701.13
1902.....		58,050,790.03
1903.....		66,037,268.93
1904.....		70,669,816.82

1905.....	71,182,772.67
1906.....	80,137,360.07
9 months ending March 31st, 1907.....	67,969,328.29
Year ending March 31st, 1908.....	96,054,505.81
1909.....	85,093,404.35
1910.....	101,503,710.92
1911.....	117,780,407.78

ORDINARY EXPENDITURES.

The Ordinary Expenditure in the last year of the Conservatives amounted to \$36,949,142, and during the last fiscal year it was \$87,774,198.32. Submitted hereunder is a Statement showing the Ordinary Expenditure for each year from 1882 to 1911.

Year	15 Years Under Conservatives	15 Years Under Liberals
1882.....	\$27,067,103.58	
1883.....	28,730,157.45	
1884.....	31,107,706.25	
1885.....	35,037,060.12	
1886.....	39,011,612.26	
1887.....	35,657,680.16	
1888.....	36,718,494.79	
1889.....	36,917,834.76	
1890.....	35,994,031.47	
1891.....	36,343,567.96	
1892.....	36,765,894.18	
1893.....	36,814,052.90	
1894.....	37,585,025.52	
1895.....	38,132,005.05	
1896.....	36,949,142.03	
1897.....		\$ 38,349,759.84
1898.....		38,832,525.70
1899.....		41,903,500.54
1900.....		42,975,279.51
1901.....		46,866,367.84
1902.....		50,759,391.97
1903.....		51,691,902.76
1904.....		55,612,832.70
1905.....		63,319,682.86
1906.....		67,240,640.95
1907, (9 months ending March 31st.....		51,542,161.09
1908, (year ending March 31st.....		76,641,451.59
1909.....		84,064,232.8
1910.....		79,411,747.12
1911.....		87,774,198.32

Let us now look for a few moments at the principal Sub-heads of the Ordinary Expenditure, in which increases have taken place:

First we will take the Administration of Justice.

This service cost in 1896.....	\$ 758,270
And in 1911.....	1,292,401
An increase of	534,131

This increase is due to the fact that a large number of new courts have been provided, and others extended, to meet the development of the country, and it has also been necessary to increase the salaries of the judges.

No serious criticism has ever been advanced in regard to this additional expenditure.

CIVIL GOVERNMENT.

For Civil Government, by which is meant the Civil Service at headquarters at Ottawa, the expenditure for 1896 was \$1,396,628 and in 1911 it was \$4,463,094.

Here again the increased business of the country has necessitated large additions to the number of Civil Servants, and the increased cost of living has also necessitated higher pay to the Civil Servants.

If the Government is accused of extravagance in this connection, the obvious answer is that the Civil Servants themselves have been complaining about the insufficiency of their salaries.

IMMIGRATION.

Expenditure in 1896.....	\$ 120,199
Expenditure in 1911.....	1,079,129

This increased expenditure is absolutely and completely justified by the magnificent results which have accrued, and are accruing to the country.

SUBSIDIES TO PROVINCES.

In 1896 the Dominion Government paid to the Provinces by way of Subsidies—which is the largest source of income the Provinces have—the sum of \$4,235,664.

On two different occasions the Government, acting on the urgent and pressing requests of the various Provinces, increased the amounts of such Subsidies, and the amount now paid in that way is \$9,092,471.80 per annum, which is considerably more than double what was paid in 1896.

This is money returned directly to the people, at the request of the people's representatives.

COLLECTION OF THE REVENUE.

The Public Accounts has a main sub-division of expenditure entitled "Collection of the Revenue," which comprises the expenditure for Customs, Dominion Lands, Excise, Post Office, Public Works, Railways and Canals, and Trade and Commerce, for collecting the Revenue.

The aggregate of the charges under that head in 1896 amounted to \$9,291,169, and in 1911 to \$21,811,194.

The Revenues, of course, expanded largely during the period—the expansion being from \$36,618,590, to \$117,780,409.

The only true way to test whether there has been extravagant expenditure in this connection is to find out the percentage cost of collection of the Revenue. The fact is, that in 1896 the percentage cost of collection was 25%, whereas in 1908 it was only 19%, a difference of 6%.

If the same percentage had prevailed last year as obtained under the Conservatives in 1896, the expenditure would have been \$7,633,908 more than it was.

LIGHTHOUSE AND COAST SERVICE, OCEAN AND RIVER SERVICE.

Expenditure in 1896.....	\$ 647,507
" 1911.....	2,840,002

The explanation of this is that Canada was away behind the age under the Conservatives, in this connection. The officials and ministers were altogether too conservative in their ideas, and did not have a proper appreciation of the necessities of the country, or of its great possibilities for development. The Liberal Government is proud of its increased expenditure to make the coasts and riverways, and inland waters of our country, easily and safely navigable. Canada is now in the van of progress among the nations of the world in these respects.

PUBLIC WORKS.

Expenditure in 1896.....	\$1,297,768
" 1911.....	8,621,431

This large increase is due to the forward policy of the Government in promoting development and improvement of harbors and rivers, the construction of public buildings, the extension of telegraph systems, etc., etc.

ARTS, AGRICULTURE AND STATISTICS.

Expenditure in 1896.....	\$ 210,877
" 1911.....	1,319,905

This increase is largely in aid of the agricultural interests of the country. This expenditure needs no defence.

It has been productive of excellent results, and no one knows this better than the farmers themselves.

MILITIA AND DEFENCE.

Expenditure in 1896.....	\$1,136,713
" 1911.....	6,868,651

This increase is quite justifiable—the Militia having been brought up to a high state of efficiency.

The recognized Conservative critic of the Militia in Parliament has repeatedly endorsed the policy of the Government. The only fault he has ever found has been that the expenditures were not large enough.

CAUSES OF INCREASED EXPENDITURE.

In considering these increases in expenditure, it is necessary, in all fairness to the Government, to remember that there has been in recent years a large increase in wages and in the cost of supplies of all kinds. It is impossible to state, with any degree of accuracy, the actual increased expenditure caused by this increase in wages and cost of supplies, but that they have been an important factor is undoubted.

The increased expenditures have not been more than proportionate to the increase in the growth and development of Canada, and of its trade and commerce.

An examination of the returns of the foreign trade of the country, and of the business of railways, banks, manufacturing establishments, and business houses, shows that the increase has been in even a larger ratio than the increased expenditures of the Government.

In this connection the following figures are instructive:

Total Trade,	1896.....	\$239,025,360
	1911.....	769,443,905
Assets of Banks.....	1896.....	\$316,122,706
	1911.....	1,302,131,886
Discounts in Banks,..	1896....	\$224,507,301
	1911....	786,743,770
Deposits in Banks,....	1896.....	\$245,029,143
	1911.....	874,672,408
Railway Traffic, tons carried, 1896....		24,266,825 tons
	1910....	74,482,806 tons

According to the reports of the Census Department, the capital invested in manufacturing establishments in Canada increased in the last five years from 1900 to 1905, from \$446,000,000 to \$833,000,000, while the value of the products increased from \$481,000,000 to \$706,000,000.

TO SUMMARIZE.

The Government claims that its financial policy has been wise, prudent and progressive. It has kept pace with the country, and it has provided largely for future development of the country. The Government have been able to pay their way, and have spent the enormous sum of \$222,695,513 in Capital Expenditure, on great public works, to the present and future advantage of the country, without increasing the rate of taxation, and without unduly increasing the Public Debt. On the contrary, the rates of taxation were lowered. The Public Debt was only increased \$81,544,620, as against \$118,000,000 by the Conservatives, and it is to-day \$7.13 less per capita than it was in 1896.

OPPOSITION ATTITUDE.

The attitude of the Opposition in Parliament has been the attitude of "little Canadians," without a proper appreciation of the greatness of their country.

Every year since the Liberals took office they have croaked and croaked like the raven. According to them, the country was going back to the "demnition how-wows" as Mr Mantalini would say. Each year the gloomiest predictions of blue ruin were uttered, if the Government persisted in its forward policy. Mr Foster that great Mephistophiles of Finance, has time and again laid the dust on the floors of Parliament with his crocodile tears, on the question of Liberal finance. As each succeeding year rolled by, bringing with it an ever increasing surplus, and little, if any, increase in the Public Debt, the Conservative predictions were shattered, but still they kept on croaking—that, apparently, being the Party attitude agreed upon. But, while the Party as a whole denounced the expenditure, individual members of the Party in the House were not slow to recommend further expenditures, most of which would help them politically.

Outside of Parliament, too, we find the great apostle of finance, the Hon. Mr. Foster, making the most extravagant promises to the people. Speaking in Prince Edward Island recently, he distinctly pledged himself and his party to build a submarine tunnel between Nova Scotia and Prince Edward Island, 12 miles in length, which would cost at least \$40,000,000.

TRANSPORTATION.

The many problems connected with Transportation were among the first to which the Government directed special attention. They fully recognized that in this country if such magnificent distances it was vitually necessary to provide in the interests of producers the best possible transportation facilities. In no better way than this can the farmer be helped. They also had a full appreciation of the fact that the geographical situation of Canada gave it a great advantage in the grain carrying trade of the continent. With both these objects well in view, the Government adopted a bold progressive policy which they have steadily followed, with magnificent results.

Though much has been done, much still remains to be done, and if the Liberal Government is allowed to complete its plans (of which there does not appear to be any doubt) we will have before many more years roll by the large bulk of the grain carrying trade of the American Continent going through Canadian channels to the old countries.

The work accomplished to date may be summarized as follows:

(1) The St. Lawrence Canal System, which, under the Conservatives, was progressing very very slowly, was rushed to completion, and by 1910 a clear channel of 14 feet was available from the Great Lakes to Ocean Ports by Canada.

(2) Special and energetic attention was directed towards improving conditions of,—

(a) Harbors on Lake Superior, where the Western grain is delivered by railways and transhipped.

(b) Harbours for transhipment in Ontario.

(c) The lines of route between Ontario and Montreal.

(d) The harbours for receiving, storing and shipment for ocean voyages.

(e) The ship channel between Montreal and Quebec to the sea.

(f) Extension of the Government Telegraph System down the St. Lawrence.

Aids to navigation in the shape of Lighthouses, Range Lights, Fog Horns and Alarms, and lightships were provided at hundreds of places. In this connection Canada was very much behind the age in 1896. To-day other countries recognize that Canada is in the van of progress in Marine Lighting.

Montreal, with the improvements that have been made, and those designed, will very shortly be one of the most modern ports in the world.

The St. Lawrence Channel is to-day a riverway along which the largest boats of the Canadian lines can navigate with security.

Western Grain, which had been coming through American ports, is now coming through Montreal in ever increasing quantities, and the ports of New York and Buffalo are becoming alarmed at the formidable competition for which Montreal is responsible.

In this connection the following striking admission was made by "The Mail and Empire," the chief Tory organ, in an editorial published September 2nd, 1908:

"In shipping circles at New York and other North Atlantic ports of the United States, envy, and something like panic have been produced by the steady set of the outward wheat forwarded to Montreal. During the past three months the Canadian port has received more wheat from the interior than have all its rivals of the United States put together."

Canal Tolls and Tonnage Dues were abolished in 1903.

EXPENDITURE ON TRANSPORTATION FACILITIES.

The sums chargeable to Capital expended by the Liberal Government in the development of Transportation facilities during the last 15 years amounted to the huge total of \$121,215,115, distributed principally as follows:

National Transcontinental Railway.....	\$95,422,533
Canals.....	32,383,408
Intercolonial Railway..	37,494,815
Montreal Harbour, River St Lawrence and Ship Channel.....	10,746,403
Quebec Harbor.....	2,004,431
Harbors at Port Arthur, Fort William and Port Colborne.....	4,867,342
St. Andrew's Rapids.....	1,429,765
Georgian Bay Survey.....	726,063
Levis Graving Dock.....	96,592
Bonuses towards the extension and con- struction of railways.....	25,269,798

Sir Wilfrid Laurier's Speech at Simcoe, Ont.

AUGUST 15th, 1911.

Premier Laurier opened the Federal general election campaign at a meeting in the Town of Simcoe, in the County of Norfolk, in the Province of Ontario, on Tuesday, August 15, 1911. The meeting was a success in every particular. The concluding portion of Sir Wilfrid's address as reported in the Montreal Star (Conservative), August 16, is as follows:—

Reciprocity Will Not Affect Preference.

"There are those who tell us that we cannot enter into this agreement because they say if we do so we make it impossible to have mutual preferential trade with Great Britain. It seems to me very funny that these people of the Conservative party should be so much concerned to-day about preferential trade with Great Britain, when at every step that we have taken in the past towards that end they have opposed it. In 1897 when Mr. Fielding, our Minister of Finance, constructed his first tariff proposals, he made the cardinal feature one of preferential trade with Great Britain. He stated, and it was agreed to, that upon goods we received from Great Britain there should be an abatement of twelve and a half per cent. This was strenuously opposed by the Conservative party. They submitted that it would ruin our industries. But we went on with the policy and two years afterwards we increased the abatement to twenty-five per cent., and later we carried it to thirty-three and one-third per cent. It has remained there ever since the Conservative party took the ground that we should not give a preference to the Motherland unless the Motherland were prepared to give us a preference in their own markets. We stated in reply that we would not bargain with England. We were quite willing to continue giving Great Britain a preference, but we stated to the people of the United Kingdom that if they chose to give us a preference in their markets, we would thankfully accept it, and that we were prepared to go further in our preferential treatment towards them, but we refused to bargain with them. There are people who imagine that Great Britain would give us preference if we were to ask for it, but three times in three different elections it has been refused. But we were going on with our policy and we say that if at any time the British people should change their policy and give us preference we are ready to meet them.

"I say more, that the present arrangement will not in any way interfere with this policy and is not against it at all. I will prove it. We have made an agreement with the United States under which we give them an abatement of our tariff upon natural products and on their part they do the same to us. Is there anything in this agreement which would prevent the British people from giving us a preference in their markets if they wished to do so? Nothing of the kind. If the British people are to give us preference, upon what would they expect preference? Would they expect a preference upon natural products such as

wheat, cattle, peaches, apples and all other articles I have previously mentioned? Nothing of the kind. They don't export any such articles, but they buy them and we could give them a preference upon the very things not mentioned in this agreement—that is to say, upon manufactured products. We could give them a preference upon whatever they want, and there is nothing in this agreement that is against it. There is no reason why the American people should say that because we would give a preference to the Mother Country on manufactured products therefore they would not maintain this agreement unless we agreed to give them the same preference.

"There is no reason why the American people should find fault with us because we would give a preference to the Mother Country, and if they would say to us: 'We will not maintain this agreement unless you refuse to give this preference to the Mother Country,' we would say: 'Take your course. There is nothing binding in this agreement.'"

An Agreement—Not a Treaty.

"This is not a treaty, mind you. This is an agreement which could be repealed to-morrow, which can last as many years as we want it to, and as many years as they want it to, which can last for one year, five, ten, fifteen or twenty years, or it can be ended next week. In order to make this plain let me quote to you from the text of the law upon this point. I quote from the letter which Mr. Fielding addressed to Mr. Knox in reference to this agreement, as follows:—

"January 21, 1911. It is agreed that the desired tariff changes shall not take the formal shape of a treaty, but that the Governments of the two countries will use their utmost efforts to bring about such changes by concurrent legislation at Washington and Ottawa. The Governments of the two countries having made this agreement from the conviction that if confirmed by necessary legislative authorities it will benefit the people on both sides of the border line, we may reasonably hope and expect that the arrangement if so confirmed will remain in operation for a considerable period. Only this expectation on the part of both Governments would justify the time and labor that have been employed in the making of the proposed measure. Nevertheless, it is distinctly understood that we do not attempt to bind for the future the action of the United States Congress or the Parliament of Canada, but that each of these authorities shall be absolutely free to make any change of tariff policy or of any other matter covered by the present arrangement that may be deemed expedient. (Signed). W. S. Fielding."

"Now let me read you the letter from the United States Secretary of State, Hon. P. C. Knox, addressed to Mr. Fielding, in reply to the letter I have just read:—

"Gentlemen I take great pleasure in replying to your statement of the proposed arrangement. It is entirely in accord with my own understanding of it. (Signed). P. C. Knox."

"Thus, gentlemen, you will see that our policy is forward and that at the same time it leaves our Government absolutely free while there is nothing in the conditions we have agreed to that fetters us in regard to our standing with the Mother Country."

Why the Government Entered Into 'Pact Now.

"Again we are told: 'Why did the Government bind itself as it did? There was no necessity for the Government to take any such action. The Democrats are in power and they would have reduced the tariff in accordance with their policy without any concessions being made by Canada at all.' I admit that the

Democrats are coming into power. Their policy is a policy of tariff reform, but I know from the experience of the United States and the experience of any other country how difficult it is to reduce the duties of protective tariffs. The Democrats tried it in the United States in 1893, and they failed. The Republicans tried it in 1910 and they failed also. They may do it, it is possible, but it is not certain. This agreement is certain. It is here in black and white. And we can have it whenever we want it. We have this bird in the hand. The other is in the bush. Which would you rather have—the bird in the hand or the bird in the bush? (Laughter). There is another consideration also: If the Democrats come into power and carry out their policy there will be a reduction in the tariff all round, not only accorded to Canada, but to the whole world. Thus we should meet in the United States the competition of the whole world. I do not know how it may strike you, but under the present agreement this reduction is not given to the whole world, but to Canada and Canada only. Which is the best, do you think? That we should have the policy of the Democrats with possible competition from the whole world or the policy the Reciprocity agreement provides with reductions for Canada and for Canada alone? For my part I say that I prefer this bird in the hand, also to the other bird in the bush. (Applause). But in connection with this you have heard—I have heard it said on the floor of the House, a veritable wail of lamentation coming from the Conservative side—that in making this agreement with the United States, in taking away the duties on natural products in favor of the Americans we are opening our doors to the whole world. You have heard that. If you have not heard it yet you will hear it in a day or two. Let me give you a little explanation on this point. Let me explain to you what it means.

"You have heard that you are going to have competition with the whole world if this agreement is passed on account of some old treaties passed by Great Britain in the ancient ages what we call the barbarous ages of the colonial regime by which certain countries are entitled to the most favored nation treatment. What is that? It means that there are certain treaties in which it is stipulated that if Great Britain or any of her Dominions give any tariff advantages to one country, all these other countries should have the benefit of it.

"The Conservatives say this applies to the whole world, but as a matter of fact it applies only to twelve countries. The whole world is thus reduced to twelve countries. That is a little example of Conservative exaggeration. (Laughter).

Enumerated Trade of Favored Nations.

"Now what are these twelve countries, for we must be quite candid about this matter? What are these countries that are at the present time entitled to this most favored nation treatment? Let me tell you. The first is Bolivia. I do not wonder that this strikes terror into your breasts. (Laughter). If there is any man in this audience who knows anything about Bolivia let him hold up his hand. (Renewed laughter). No, nobody knows anything about Bolivia. We never bought one dollar's worth from Bolivia or sold one dollar's worth to Bolivia. The next on the list is Colombia. Who knows anything about Colombia? No more than you know anything about Bolivia. But I may say—for we must be honest about these things—we have a trade with Colombia. We have bought from them. What did we buy? We bought \$20,000 worth of produce. Not agricultural produce, not natural produce. I think it was wood of some sort. Then there is the Republic of Argentina. We have a larger trade with Argentina. We bought \$3,181,554 worth from them last year. Was it wheat, barley, butter or any of the things mentioned in the Reciprocity agreement? No, it was wool, which is free, hides and cocoa. I do not think you will care very much whether we buy hides or cocoa from Argentina. Then there is Austria

Hungary. We bought \$144,000 from Austria Hungary. What was it? Wheat, barley, oats, any natural product? No; it was silk, ladies' blouses and wearing apparel. Then there is Denmark. We bought \$86,000 worth from Denmark, but none of it was natural products. We have trade with Japan. We bought \$2,401,309 worth of goods from Japan last year. Here I must say—for we must be honest in this matter—that there was some agricultural produce included in this. We bought some rice from Japan. I do not think you will care very much whether we bought any rice from Japan or not. (Laughter) From Norway we bought \$168,000 worth, chiefly preserved fish. Then there is Russia. We bought \$344,000 worth from Russia, chiefly hides, I think. Then there is Spain. We bought from Spain \$1,000,000 worth of fruit, almonds and wine. I do not think this will scare anybody. Then there is Sweden from whom we bought \$207,000 and a million worth from Switzerland, chiefly silk goods and wearing apparel for ladies. And there is also Venezuela from whom Canada purchased \$53,000 worth, chiefly coffee."

Countries Exempted From Favored Nations Treaties.

"Well, gentlemen, you see the sort of competition you have to fear from these. It is simply ridiculous. It is an insult to the common sense of the Canadian people to pretend that there is any danger in the competition of these countries. It is possible, however, that these countries in course of time may perhaps come into competition in our markets after we have entered into this agreement with the United States. This question came before the last Imperial Conference which was held in London in May, and which I had the honor of attending. I drew the attention of the Imperial Government to these treaties, and I pointed out that they might be obstacles to us and I expressed the hope that His Majesty's Imperial Government would enter into negotiations with these nations to exempt us from the operation of those treaties. I moved the following resolution with this object in view: 'That His Majesty's Government be requested to open negotiations with the several foreign Governments having treaties which apply to the self-governing Dominions with a view to securing liberty for those Dominions which desire to withdraw from the operation of these treaties without interfering with the rest of the Governments.' This resolution was accepted by His Majesty's Government, approved by all the members of the Imperial Conference and passed unanimously. If we make a complaint at any time, of undue competition from any of these nations that I have named the British Government, upon our complaint, are ready to enter into negotiations with these nations in order to remove the application of these treaties from this Dominion. I must say that for this action which I took at the Imperial Conference I have been denounced by the Tory members, as a traitor and a separatist, having as my ultimate object the removal of this Dominion from the British Empire.

"Let me discuss that with you in the light of common sense. At the present time the British Government never negotiates a treaty with any nation without putting in a provision that this treaty shall not apply to Canada, or Australia, or New Zealand, or South Africa, or any of the self-governing dominions unless they agree to become parties to it. This summer the British Government passed a commercial treaty with Japan, and we have refused to be bound by that treaty because, though it suits the British people, it does not suit our commerce, and our position has been accepted on that understanding. By taking up this position we are not separatists, we are not traitors, and we have no sinister motive. If we apply this self-same doctrine to other treaties which may be proposed, will there be anything more in it that makes us more separatists or more treacherous than before? (Cries of 'No.')

Bond of Peace and Harmony.

"I do not parade my loyalty, but I may be allowed to say that I was born under British institutions, and under these institutions my people have found a liberty that they could not have found under any other regime, and I could not do any other but stand loyally by Britain, because I value the liberty of my countrymen higher than any question of political economy. (Applause.) I have now laid before you all the objections that have been raised against this Reciprocity agreement. These objections, you will agree with me, do not stand discussion. On the other hand, the advantages are obvious. The more they are examined, the better they appear to be. They commend themselves, and the more they are discussed, the more attractive they appear, but there is much more. This agreement which we place before you for your ratification is a bond of peace and harmony and friendship between two nations, between whom more than between any two other nations in the world, there should be a bond of mutual respect and affection. (Applause.) We share with our neighbors on this one hemisphere a longer frontier than exists between any other two nations. We spring from the same stock, English, Scotch, Irish, French, and to a certain extent, German. We have inherited in a certain measure the same institutions and everything makes for peace, harmony, and concord between us and our neighbors. Yet it was not always so. The days are not far distant, many of you remember them, as I do, when there was a feeling of hostility between Great Britain and the Dominion of Canada on the one hand, and the American Republic on the other, when the American press was filled with abuse against England, and the English newspapers talked of Yankee arrogance. Such expressions, however, are heard no more. We have seen the dawn of a new era, and better and nobler sentiments prevail. We have learned, perhaps, in spite of ourselves, that blood is thicker than water. At the battle of Manilla in 1898 (when the Americans were fighting the Spaniards in Philippine waters,) the commander of one of the European squadrons sought to interfere, but the commander of the British squadron who happened to be in the same waters, stated that there was to be fair play, and that if there was not fair play he would line up his ship by the side of Admiral Dewey. This was giving voice to the fact that blood is thicker than water.

The Peace Treaty.

"It was only last week that a treaty was signed between His Majesty King George V and the President of the United States, which makes it practically impossible that there shall be war between the United States and Great Britain. (Applause.) It has been given to us to see this glad day. (Renewed applause.) But far reaching as this treaty is, I ask is it to be supposed that it is the last and final and supreme expression of friendship between these two great countries. (Cries of 'No'.)

"For my part, I harbor in my heart a sincere belief that this treaty may be supplemented with another which shall, in so far as possible, repair the mischief that was done in the Eighteenth Century, by the violent separation of mother and child—by the separation, that is to say, of the then American Colonies from Great Britain. (Applause).

"Sir, this agreement which I propose to you to-day, will not only be a powerful factor for our material prosperity; but, it is an advance towards that higher civilization which I tell you is now within the range of practical politics. (Loud applause)."

White Book.

Report of United States Tariff Board.

It will be remembered that after the passing of the Payne-Aldrich Tariff, the President of the United States was empowered to appoint a board of experts to prepare data on the tariff schedule. The main idea of the President was that the Board would be able to institute investigations that would show cost of production in the United States and foreign countries, thereby enabling the tariff to be adjusted, in accordance with the Republican platform promises, so as to give the exact amount of protection necessary to equalize the cost of production at home and abroad.

At the time of the Reciprocity negotiations, little or no headway had been made by the Board in its investigations, except in the case of the pulp and news-print paper industry, and in certain branches of the textile industry.

Not Founded on Accurate Basis.

The rest of the information embodied by the United States Tariff Board in the "White Book" that, namely, relating to farm products, is not based on original materials collected by the Board, but is merely in the way of a hasty compilation from Census and other Departmental sources in the United States and Canada. No time for more than this was available, as the report was published on February 28, in response to an order of February 23. The only tables based on actual market transactions which were included were from the prices report of the United States Bureau of Labor, and the report on Wholesale Prices in Canada, from 1890 to 1909, issued last year by the Canadian Department of Labour. Some comparative prices from the daily press were included, but these cover a single day only and afford no adequate basis for comprehensive comparisons.

For the most part, therefore, the statistics contained in the report are based on Census and Departmental averages and estimates. It is obvious that such estimates, while adequate for their purpose in showing tendencies of production and values from year to year in different sections of the country, have not the accurate or specific character necessary to throw light on the comparative merit of different markets. They take no account of differences in grading or classification; the cattle quotations, for instance, lump pedigree and range cattle together.

The statement re oats contained in the report, which shows values higher in the United States than in Canada, is simply a rough generalization which takes no cognizance of grades and the varying proportions of the same. It includes, not merely the oats sold on the market, but also the oats consumed on the farm. It is evident, therefore, that as throwing light on price conditions in the two countries its value is limited. As a matter of fact, market conditions in the two countries are quite the reverse. Actual investigation of prices of oats at commanding markets in the United States and Canada show this.

Again, Montana is represented in the case of cattle as highest in the United States. This has been interpreted to mean that prices of cattle are highest in Montana. But what the figures probably reflect is the fact that Montana produces a large proportion of high-grade steers. Certainly, grade for grade, prices are not higher in Montana than in Illinois and Iowa, and the figures are not meant to say so.

Again, the report has been quoted to show that prices of sheep are lower in the United States than in Canada. But the report expressly explains this as "due to the fact that Ontario specializes on pedigree flocks."

On the above poor information opponents of the Reciprocity Arrangement base many of their speeches and assertions. The "White Book" was quoted in the Canadian House of Commons by Conservative members for want of something better or worse.

The Schedules in the Bargain.

Hon. W. S. Fielding, Canadian Minister of Finance, in referring to the schedules in the Reciprocity arrangement said:—

"As respects a considerable list of articles produced in both countries, we have been able to agree that they shall be reciprocally free. A list of the articles to be admitted free of duty into the United States when imported from Canada, and into Canada when imported from the United States, is set forth in Schedule A.

"As respects another group of articles, we have been able to agree upon common rates of duty to be applied to such articles when imported into the United States from Canada or into Canada from the United States. A list of these articles, with the rates of duty, is set forth in Schedule B.

"In a few instances it has been found that the adoption of a common rate will be inconvenient and therefore exemptions have to be made.

"Schedule C specifies articles upon which the United States will levy the rates therein set forth when such articles are imported from Canada,

"Schedule D specifies articles upon which Canada will levy the rates therein set forth when such articles are imported from the United States."

SCHEDULE A.

Articles the growth, product or manufacture of the United States to be admitted into Canada free of duty when imported from the United States, and reciprocally articles of growth, product or manufacture of Canada to be admitted into the United States free of duty when imported from Canada:—

Live Animals, viz.: Cattle, horses and mules, swine, sheep, lambs, and all other live animals.

Poultry, dead or alive.

Wheat, rye, oats, barley and buckwheat; dried pease and beans, edible.

Corn, sweet corn, or maize (except into Canada for distillation).

Hay, straw, and cow pease.

Fresh vegetables, viz.: Potatoes, sweet potatoes, yams, turnips, onions, cabbages, and all other vegetables in their natural state.

Fresh fruits, viz.: Apples, pears, peaches, grapes, berries, and all other edible fruits in their natural state.

Dried fruits, viz.: Apples, peaches, pears, and apricots, dried, desiccated or evaporated.

Dairy products, viz.: Butter, cheese and fresh milk and cream. Provided that cans actually used in the transportation of milk or cream may be passed back and forth between the two countries free of duty, under such regulations as the respective governments may prescribe.

Eggs of barnyard fowl, in the shell.

Honey.

Cotton-seed oil.

Seeds, viz.: Flaxseed or linseed, cotton-seed, and other oil seeds, grass seed, including timothy and clover seed; garden, field, and other seed not herein

therwise provided for, when in packages weighing over one pound each (not including flower seeds).

Fish of all kinds, fresh, frozen, packed in ice, salted or preserved in any form, except sardines and other fish preserved in oil; and shell fish of all kinds, including oysters, lobsters and clams in any state, fresh or packed, and coverings of the foregoing.

Seal, herring, whale, and other fish oil, including cod oil.

Salt.

Mineral waters, natural, not in bottles or jugs

Timber, hewn, sided or squared otherwise than by sawing, and round timber used for spars or in building wharves.

Sawed boards, planks, deals and other lumber, not further manufactured than sawed.

Paving posts, railroad ties, and telephone, trolley, electric light and telegraph poles of cedar or other woods.

Wooden staves of all kinds, not further manufactured than listed or jointed, and stave bolts.

Pickets and palings.

Plaster rock of gypsum, crude, not ground.

Mica, unmanufactured or rough trimmed only, and mica ground or bolted.

Feldspar, crude, powdered or ground.

Asbestos not further manufactured than ground.

Fluorspar crude, not ground.

Glycerine, crude, not purified.

Talc, ground, bolted or precipitated, naturally or artificially, not for toilet use.

Sulphate of soda, or salt cake; and soda ash.

Extracts of hemlock bark.

Carbon electrodes.

Brass in bars and rods, in coil or otherwise, not less than six feet in length, or brass in strips, sheets or plates, not polished, planished or coated.

Cream separators of every description, and parts thereof imported for repair of the foregoing.

Rolled iron or steel sheets, or plates, number fourteen gauge or thinner, galvanized or coated with zinc, tin or other metal, or not.

Crucible cast steel wire, valued at not less than six cents per pound.

Galvanized iron or steel wire, curved or not, numbers nine, twelve and thirteen wire gauge.

Typesetting and typesetting machines and parts thereof, adapted for use in printing offices.

Barbed fencing wire of iron or steel, galvanized or not.

Coke.

Rolled round wire rods in the coil, of iron or steel, not over three-eighths of an inch in diameter, and not smaller than number six wire gauge.

Pulp of wood mechanically ground; pulp of wood, chemical, bleached or unbleached; news print paper, and other paper, and paper board, manufactured

from mechanical wood pulp or from chemical wood pulp, or of which such pulp is the component material of chief value, coloured in the pulp, or not coloured, and valued at not more than four cents per pound, not including printed or decorated wall paper.

Provided that such paper and board, valued at four cents per pound or less, and wood pulp, being the products of Canada, when imported therefrom directly into the United States, shall be admitted free of duty, on the condition precedent that no export duty, export license fee, or other export charge of any kind whatsoever (whether in the form of additional charge of license fee or otherwise) or any prohibition or restriction in any way of the exportation (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly) shall have been imposed upon such paper, board, or wood pulp, or the wood used in the manufacture of such paper, board or wood pulp, or the wood pulp used in the manufacture of such paper or board.

Provided also that such wood pulp, paper or board, being the products of the United States, shall only be admitted free of duty into Canada from the United States when such wood pulp, paper or board, being the product of Canada, are admitted from all parts of Canada free of duty into the United States.

NOTE.—It is understood that fresh fruits to be admitted free of duty into the United States from Canada do not include lemons, oranges, limes, grape fruit, shaddocks, pomelos, or pineapples.

It is also understood that fish oil, whale oil, seal oil and fish of all kinds, being the product of fisheries carried on by fishermen of the United States shall be admitted into Canada as the product of the United States, and similarly that fish oil, whale oil, seal oil and fish of all kinds, being the product of fisheries carried on by the fishermen of Canada, shall be admitted into the United States as the product of Canada.

SCHEDULE B.

Articles the growth, product or manufacture of the United States to be admitted into Canada at the undermentioned rates of duty when imported from the United States; and reciprocally the same articles the growth, product or manufacture of Canada to be admitted into the United States at identical rates of duty when imported from Canada.—

Articles.	Rates of Duties.
Fresh meats, viz.:—beef, veal, mutton, lamb, pork, and all other fresh or refrigerated meats excepting game	One and one-quarter cents per pound.
Bacon and hams, not in tins or jars. . . .	One and one-quarter cents per pound.
Meats of all kinds, dried, smoked, salted, in brine, or prepared or preserved in any manner, not otherwise herein provided for	One and one-quarter cents per pound.
Canned meats and canned poultry.	Twenty per cent. ad valorem.
Extract of meats, fluid or not	Twenty per cent. ad valorem.

Articles.

Rates of Duties.

Lard, and compounds thereof, cottolene and cotton stearine, and animal stearine	One and one-quarter cents per pound.
Tallow	Forty cents per 100 lbs.
Egg yolk, egg albumen and blood albumen	Seven and one-half per cent. ad valorem.
Fish (except shell fish), by whatever name known, packed in oil, in tin boxes or cans, including the weight of the package: --	
(a) when weighing over twenty ounces and not over thirty-six ounces each	Five cents per package.
(b) when weighing over twelve ounces and not over twenty ounces each	Four cents per package.
(c) when weighing twelve ounces each or less	Two cents per package.
(d) when weighing thirty-six ounces each or more, or when packed in oil in bottles, jars or kegs.	Thirty per cent. ad valorem.
Tomatoes and other vegetables, including corn, in cans or other air-tight packages, and including the weight of the package	One and one-quarter cents per pound.
Wheat flour and semolina; and rye flour	Fifty cents per barrel of 196 pounds.
Oatmeal and rolled oats, including the weight of paper covering	Fifty cents per 100 pounds.
Corn meal	Twelve and one-half cents per 100 pounds
Barley malt	Forty-five cents per 100 pounds.
Barley, pot pearled and patent	One-half cent per pound.
Buckwheat flour or meal	One-half cent per pound.
Split pease, dried	Seven and one-half cents per bushel of 60 pounds.
Prepared cereal foods, not otherwise provided for herein	Seventeen and one-half per cent ad valorem.
Bran, middlings and other offals of grain used for animal food.	Twelve and one-half cents per 100 pounds
Macaroni and vermicelli	One cent per pound.
Biscuits, wafers and cakes, when sweetened with sugar, honey, molasses or other material.	Twenty-five per cent. ad valorem.
Biscuits, wafers, cakes and other baked articles composed in whole or in part of eggs or any kind of flour or meal when combined with chocolate, nuts,	

Articles.	Rates of Duties.
fruit or confectionery; also candied peel, candied pop-corn, candied nuts, candied fruits, sugar candy and confectionery of all kinds.	Thirty-two and one-half per cent. ad valorem.
Maple sugar and maple syrup.	One cent. per pound.
Pickles, including pickled nuts; sauces of all kinds, and fish paste or sauce	Thirty-two and one-half per cent. ad valorem.
Cherry juice and prune juice, or prune wine, and other fruit juices, and fruit syrup, non-alcoholic	Seventeen and a half per cent. ad valorem.
Mineral waters and imitations of natural mineral waters, in bottles or jugs	Seventeen and a half per cent. ad valorem.
Essential oils	Seven and a half per cent. ad valorem.
Grape vines, gooseberry, raspberry and currant bushes.	Seventeen and a half per cent. ad valorem.
Farm wagons, and finished parts thereof.	Twenty-two and a half per cent. ad valorem.
Ploughs, tooth and disc harrows, harvesters, reapers, agricultural drills and planters, mowers, horse-rakes, cultivators; threshing machines, including windstackers, baggers, weighers, and self-feeders therefor; and finished parts thereof imported for repair of the foregoing	Fifteen per cent. ad valorem.
Portable engines with boilers, in combination, horse-powers and traction engines, for farm purposes; hay loaders, potato diggers, fodder or feed cutters, grain crushers, fanning mills, hay tenders, farm or field rollers, manure spreaders, weeders and windmills; and finished parts thereof imported for repair of the foregoing, except shafting	Twenty per cent. ad valorem.
Grindstones of sandstone, not mounted, finished or not	Five cents per 100 pounds.
Freestone, granite, sandstone, limestone and all other monumental or building stone, except marble, breccia, and onyx, unmanufactured, or not dressed, hewn or polished	Twelve and a half per cent. ad valorem.

Articles.	Rates of Duties.
Roofing slates.....	Fifty-five cents per 100 square feet.
Vitrified paving blocks, not ornamented or decorated in any manner and paving blocks of stone	Seventeen and a half per cent. ad val- orem.
Oxide of iron, of colour.....	Twenty-two and a half per cent. ad val- orem.
Asbestos further manufactured than ground; manufactures of asbestos, or articles of which asbestos is the com- ponent material of chief value, includ- ing woven fabrics wholly or in chief value of asbestos.....	Twenty-two and a half per cent. ad val- orem.
Printing ink	Seventeen and a half per cent. ad val- orem.
Cutlery, plated or not, viz.:—pocket knives, pen knives, scissors and shears, knives and forks for household pur- poses, and table steel.....	Twenty-seven and a half per cent. ad val- orem.
Bells and gongs; brass corners and rules for printers.....	Twenty-seven and a half per cent. ad valorem.
Basins, urinals and other plumbing fix- tures for bath rooms and lavatories; bath tubs, sinks and laundry tubs, of earthenware, stone, cement or clay, or of other material	Thirty-two and a half per cent. ad val- orem.
Brass band instruments.....	Twenty-two and a half per cent. ad val- orem.
Clocks, watches, time recorders, clock and watch keys, clock cases, and clock movements.....	Twenty-seven and a half per cent. ad valorem.
Printers' wooden cases and cabinets for holding type	Twenty-seven and a half per cent. ad val- orem.
Wood flour.....	Twenty-two and a half per cent. ad valorem.
Canoes and small boats of wood, not power boats.....	Twenty-two and a half per cent. ad valorem.
Feathers, crude, not dressed, coloured or otherwise manufactured	Twelve and a half per cent. ad valorem.

Art es.

Rates of Duties.

Antiseptic surgical dressings, such as absorbent cotton, cotton wool, lint, lamb's wool, tow, jute, gauzes and oakum, prepared for use as surgical dressings, plain or medicated, surgical trusses, pessaries, and suspensory bandages of all kinds.....	Seventeen and a half per cent. ad valorem
Plate glass, not bevelled, in sheets or panes exceeding seven square feet each, and not exceeding twenty-five square feet each.....	Twenty-five per cent. ad valorem.
Motor vehicles other than for railways and tramways, and automobiles, and parts thereof, not including rubber tires.....	Thirty per cent. ad valorem.
Iron or steel digesters for the manufacture of wood pulp	Twenty-seven and a half per cent. ad valorem.
Musical instrument cases, fancy cases or boxes, portfolios, satchels, reticules, card cases, purses, pocket books, fly books for artificial flies, all the foregoing composed wholly or in chief value of leather.....	Thirty per cent. ad valorem.

SCHEDULE C.

Articles the growth, product or manufacture of Canada to be admitted into the United States at the undermentioned rates of duty when imported from Canada:—

Articles.	Rates of Duties.
Aluminum in crude form.....	Five cents per pound.
Aluminum in plates, sheets, bars and rods.....	Eight cents per pound.
Laths.....	Ten cents per 1,000 pieces.
Shingles.....	Thirty cents per thousand.
Sawed boards, planks, deals and other lumber, planed or finished on one side	Fifty cents per M. feet B.M.
Planed or finished on one side and tongued and grooved, or planed or finished on two sides.....	Seventy-five cents per M. feet B.M.
Planed or finished on three sides, or planed and finished on two sides and tongued and grooved.....	One dollar and twelve and a half cents per M. feet B.M.

Articles	Rates of Duties
Planed and finished on four sides.....	One dollar and fifty cents per M. feet B.M.

and in estimating board measure under this schedule no reduction shall be made on board measure on account of planing, tonguing and grooving.

Iron ore, including manganiferous iron ore, and the dross or residuum from burnt pyrites.....Ten cents per ton of 2,240 pounds.

Coal slack or culm, of all kinds, such as will pass through a half-inch screen... Fifteen cents per ton of 2,240 pounds.

SCHEDULE D.

Articles the growth, product or manufacture of the United States to be admitted into Canada at the undermentioned special rates of duty when imported from the United States. :—

Articles.	Rates of Duties.
Cement, Portland, and hydraulic or water lime in barrels, bags, or casks, the weight of package to be included in the weight for duty.....	Eleven cents per 100 pounds.
Trees, viz.:—Apple, cherry, peach, pear, plum and quince, of all kinds, and small peach trees known as June buds.....	Two and a half cents each.
Condensed milk, the weight of the package to be included in the weight for duty.....	Two cents per pound.
Biscuits without added sweetening.....	Twenty per cent. ad valorem.
Fruits in air-tight cans or other air-tight packages, the weight of the cans or other packages to be included in the weight for duty.....	Two cents per pound.
Peanuts, shelled.....	One cent per pound.
Peanuts, unshelled.....	A half cent per pound.
Coal, bituminous, round and run of mine, including bituminous coal such as will not pass through a three-quarter-inch screen.....	Forty-five cents per ton.

